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August 7, 1997

Kamau Philbert, Esq.
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

VIA HAND DELIVERY

Re: MURs 4322 and 4650
Transcript of December 11, 1995 Press Conference

Dear Mr. Philbert:

As you requested, enclosed please find a transcript of former Representative Enid Greene's December 11, 1995 press conference. We are still in the process of trying to locate a complete videotape of the press conference. We will, of course, forward a copy of the videotape to you once it is located.

We are looking forward to meeting with you in the near future, after you have completed your review of our Joint Response and accompanying exhibits, to discuss whether the Commission should take any further action in the above-referenced matters.

Sincerely,



Brett G. Kappel

for POWELL, GOLDSTEIN, FRAZER & MURPHY LLP
Counsel to D. Forrest Greene, Enid Greene,
Enid '94 and Enid '96

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FEDERAL ELECTION
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COUNSEL

44-27-463-44-60

STATEMENT OF REP. ENID GREENE WALDHOLTZ DURING DECEMBER 11,
1995 NEWS

CONFERENCE

TRANSCRIPT BY SUSAN WILCOX KINGSBURY, CSR, RPR
KINGSBURY AND ASSOCIATES, CERTIFIED SHORTHAND REPORTERS

1 SALT LAKE CITY, UTAH, MON., DECEMBER 11, 1995, 10:03 A.M.

2 * * * * *

3 WALDHOLTZ: Thank you all for coming.

4 Before I begin, I want to say some things
5 that I don't want to forget; and that is, thank you to
6 my family who has been incredible through all this, to
7 my friends -- forgive me for not writing back or calling
8 back yet, I will soon -- to my colleagues in the United
9 States House of Representatives on both sides of the
10 aisle who have allowed me to continue to do my work
11 while I've been trying to deal with this crisis in my
12 personal life.

13 I also want to thank those people that I do
14 not know who have written to share their personal
15 tragedies with me, to let me know that I'm not alone.
16 And I want them to know how much what they have done has
17 sustained me through the last four weeks.

18 I'm here today to tell you about the last
19 four years of my life with Joe Waldholtz and what we
20 have learned about him and our lives since Joe fled from
21 National Airport on November 11th. We do not yet have
22 all of the specifics, all of the facts, all of the
23 answers. But it was important to me that we be able to
24 come to the people of Utah as quickly as possible, and I
25 believe that we have enough of the answers to let you

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1 I know what has really been happening.

2 Because what I told all of you in the past
3 was what I believed based on representations of my
4 husband to me, today I'm only going to tell you what I
5 now know based on documents that I have reviewed that my
6 accountants and my attorneys have helped me review and
7 the members of my team are here to help explain some of
8 those documents and some of the details, and you'll hear
9 from them later this morning.

10 I'm going to try to do this as best that I

11 can. I hope you will understand this is extraordinarily
12 difficult for me, primarily for two reasons among many.
13 It's difficult because we all have in our lives
14 something that we hang onto, something that we know is
15 in our heart and our soul and is the core of us. And
16 for me that was honesty and integrity. And while I knew
17 that when I got into politics it would be questioned by
18 people for their own motives, I always got through those
19 episodes by knowing in my heart I was telling the truth.
20 And so it is particularly difficult at this point in my
21 life to have my honesty and my integrity the very thing
22 that is the most questioned. It's also difficult
23 because what I have to tell you today is so intensely
24 personal.
25 You cannot understand what happened in my

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1 life with Joe Waldholtz if I don't tell you personal,
2 intimate details about our life that I never dreamed I
3 would have to share, much less under these
4 circumstances.
5 So I will do the best I can, and I hope you
6 will bear with me.
7 I got involved in politics because I was
8 idealistic and believed in my country. I became a
9 lawyer because I believed so strongly in our justice
10 system and I wanted to be part of that justice system.
11 When I was a teenager, I started volunteering in
12 politics: I parked cars, I stuffed envelopes, I set up
13 folding chairs. Primarily I worked for people that I
14 believed in. And I got involved with an organization
15 called the Young Republicans that was for people who
16 were like me, young people who wanted to be involved in
17 the government process.
18 It was through that involvement that I met
19 Joe Waldholtz in November of 1990. I knew some of Joe's
20 friends. I hadn't met him before that time. I was
21 running for the chairmanship of the National Young
22 Republicans. I was national co-chairman at the time.
23 My friend Audrey Merkin introduced me to Joe,
24 saying that we needed to try to get the support of the
25 Pennsylvanians if I was to be successful in becoming

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4 Waldholtz at the Dollar Bank in Pittsburgh,
5 Pennsylvania.

6 What Joe Waldholtz did here was he stole
7 money from the campaign, wired it to his mother -- his
8 mother's bank, where we know that she had a mortgage on
9 her house.

14 one in '92, specifically listing the Waldholtz trust,
15 '91, '92, with significant trust income.

16 These are the documents that Representative
17 Waldholtz saw, was aware of and certainly corroborated
18 the fact that this man at this time period had a
19 Waldholtz family trust.

20 Somehow First Security Bank processed this
21 mortgage, and they moved into the house. It apparently
22 was not detected by First Security Bank.

23 We told you that Joe, when he took over
24 Representative Waldholtz' '92 campaign, indicated to her
25 that they needed to pay vendors. And she was aggravated

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1 that they had overspent, and she got some money to pay
2 the vendors off.

3 Point of fact: December 2nd, 1992, less than
4 a month after the election, Joe Waldholtz stole \$25,000
5 from her campaign, Send Enid to Congress 1992.

6 The signature -- Fred, just flip that up,
7 please, back of the check is on the left -- that is a
8 forgery. Even a layman can see that. I don't think
9 there's much doubt who did the forging.

10 Just another example of stealing and
11 embezzling from an account. This is actually Enid '96,
12 looks like a starter check, a check payable to Enid
13 Waldholtz from Joseph Waldholtz. This came from the
14 Enid, as I said, Enid '96 campaign. Fred, flip it,
15 please. A forgery.

16 You'll also remember that Representative
17 Waldholtz indicated that Joe had told her that some of
18 her congressional paychecks were missing. They were
19 missing all right. This paycheck was her congressional
20 income for the month of August 1995. She never got it.

21 Instead, we've now found out that her name
22 was forged and it was used to pay off a debt that Joe
23 Waldholtz had accumulated for using a staffer's American
24 Express card.

25 Stealing and forging a check, for your

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1 information, of course, is a felony punishable by up to
2 10 years in the federal penitentiary.

3 I just have one more exhibit. It's actually
4 not blown up, but it is in your packet. It's the last
5 one, and it purports to be -- We just found this
6 actually in a campaign computer that Mr. Waldholtz had
7 access to. And it is what we call in my business a
8 lulling document. It purports to be from the Waldholtz
9 family trust to Enid's father, care of the East-West
10 Co., and it talks about this assignment, assignment of
11 interest in real estate which Joe Waldholtz said he had,
12 which enabled Representative Waldholtz to receive money
13 from her dad, and it enabled Representative Waldholtz to
14 fund the 1994 campaign, or so she thought.

15 The real telling thing about this, in
16 addition to what the document has on its face, is the
17 password in the computer that we had to use to pull up
18 this document. The password was LIE, L-I-E.

19 I've been doing what I've been doing for a
20 long time, and I've never seen anything like this. This
21 is a man who apparently stole from his former employer,
22 ripped off his grandmother, if you can believe that,
23 tricked and defrauded First Security Bank, committed a
24 tremendous fraud against Enid's family and her dad,
25 defrauded the government process by getting her to file

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1 false FEC forms and financial disclosure forms and
2 finally defrauded, lied to and betrayed a woman who gave

3 him her love and her trust. Shocking.

4 Let me just spend a word, before Fred gets up
5 and goes over some of the -- more of the accounting
6 stuff, about the process.

7 We have been cooperating fully with the
8 federal law-enforcement authorities. We have been
9 interviewed for 11 hours over a 2-day period last week.
10 We have been turning over documents as the F.B.I. and
11 the U.S. Attorney have requested. They can go through
12 both houses if they want, they can take anything they
13 want, we've told them that.

14 We are testifying -- I think some of you have
15 asked us whether we're going to testify before the grand
16 jury. We are testifying before a federal grand jury
17 this Thursday in Washington.

18 And as to those accounts that indicated that
19 Representative Waldholtz was the target of some grand
20 jury investigation, that is absolutely, unequivocally
21 false.

22 We have been assured by the prosecutors in
23 this case that she is not a target of the grand jury.
24 Targets, by Department of Justice policy, are not
25 subpoenaed to testify before a federal grand jury.

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1 We have been subpoenaed, and we are going to
2 testify. We are not a target.

3 The mess that this man has created will take
4 longer to uncover fully, and we would not be surprised
5 if on Friday when he's due back in court he's not locked
6 up 'cause it takes time to investigate fully
7 white-collar crimes.

8 We have every confidence in the United States
9 Attorney and the Department of Justice that they will
10 bring this man to justice whether it's in two weeks or
11 two months. The mere fact if this happens next week
12 that he's not officially charged is not going to be a

13 surprise.

14 I'd like to turn it over to my colleague,
15 Fred Miller from Coopers & Lybrand, just to expand a bit
16 on some of the examples that I tried to give you.

17 MR. MILLER: Good morning. My name is Fred
18 Miller. I'm a partner in the CPA firm of Coopers &
19 Lybrand, LLP. I'm a CPA and a specialist in the field
20 of forensic accounting. I have more than 17 years of
21 experience in the field of forensic accounting, and I
22 have done a number of high-profile financial
23 investigations in both the corporate world and the
24 private world.

25 Our firm, Coopers & Lybrand, has been

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1 retained to assist the law firm of Powell Goldstein in
2 their representation of Representative Enid Waldholtz
3 and her father D. Forrest Greene. We have been retained
4 to perform forensic accounting and investigatory
5 auditing services related to all campaign and personal
6 accounts of Representative Waldholtz from August 1992
7 onward. This work is currently ongoing.

8 Our goal is to be able to provide our client
9 with a detailed accounting of all the significant
10 receipts and disbursements in these accounts by the
11 first week in August -- I'm sorry -- the first week in
12 January 1996.

13 We have also been retained to review the
14 financial aspects of the FEC reports filed for
15 Representative Waldholtz' 1996, 1994, and 1992
16 campaigns. This work is also currently ongoing.

17 We will also be asked to analyze her personal
18 assets and liabilities so she will be in a position to
19 file a revised and corrected financial disclosure form,
20 both of those, the revised FEC reports and financial
21 disclosure forms, by approximately the end of the first
22 week in January in 1996.

23 Before we describe what we have found to
24 date, what we call our preliminary observations in this
25 particular situation, it is important that our firm's

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1 role be fully understood.

2 We have been and are providing objective
3 financial fact-finding and advice in this case. We are
4 the ones who have been tasked to determine who spent
5 what, from which account and when did they spend it. We
6 will also be determining where the money came from that
7 went into these accounts and when these funds arrived.

8 We will also be providing information on
9 either the financial accuracy or inaccuracy of the
10 amounts shown on the FEC report -- I should say reports,
11 plural.

12 You should be aware that we as a firm have
13 not been retained to address any of the legalities of
14 these transactions. That's the province of the lawyers
15 and others in the system.

16 It is also important that people be aware of
17 three additional points regarding our work. First and
18 foremost, we have been given free and complete access to
19 all relevant information for our analysis in the
20 possession of Representative Waldholtz. Furthermore,
21 most of the information we have been analyzing has been
22 directly received by us from outside sources, such as
23 financial institutions like First Security Bank.

24 Second of all, we have been authorized by our
25 client to make all the disclosures we are making today.

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1 And third of all, as I spoke a moment ago,
2 we're prepared today only to discuss our preliminary
3 observations. We are clearly not finished, and
4 additional information is still being received. For
5 example, we're currently awaiting the receipt of data on

6 the 1992 and 1993 bank accounts from Salt Lake City
7 banks.

8 However, since we have been retained on
9 November 16th, 1995, we have made significant progress.
10 We have been working late into the evenings and over the
11 weekends in that period of time to reconstruct the
12 financial transactions and activities in these personal
13 joint accounts and campaign accounts of Representative
14 Waldholtz for which Joseph Waldholtz had signatory
15 authority, as she had mentioned previously.

16 We found the few available financial records
17 for these accounts, except for those related to the 1996
18 campaign accounts, to either be disorganized, missing or
19 in disarray. Much of the information we expected to
20 find was simply not available. Therefore, we have had
21 to methodically identify and reconstruct records from
22 the information that financial institutions holding such
23 accounts had and to determine were there any other
24 accounts that existed at those financial institutions.

25 In this process, we have identified 15

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1 different bank accounts at 4 different financial
2 institutions in both Washington, D.C., and Salt Lake
3 City which Mr. Waldholtz had signatory authority over in
4 the period of late 1992 to 1995, related to both he and
5 Representative Waldholtz' personal matters and to their
6 campaigns. We are now analyzing all 15 of these
7 accounts in detail.

8 Several of these accounts appear to have been
9 unknown to Representative Waldholtz before we identified
10 them and brought them to her attention, even though they
11 contained her own name or her campaign's name. Of
12 these, seven of the accounts we are looking at are
13 campaign accounts and eight are personal accounts.
14 Should we identify anymore accounts, we will analyze
15 them to the extent possible.

16 We have completely reconstructed these
17 financial activities and transactions from, what we call
18 in the accounting world, basic bank records. That means
19 copies of checks, deposit slips, the makeup of those
20 deposit slips, wire transfers, et cetera. And we've had
21 to do that for one very good reason. That reason is:
22 We either found that no summary-level information of
23 that financial data is available or that the
24 summary-level data that was available we have deemed
25 completely unreliable.

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1 The complete reconstruction that we have been
2 making has been made even more difficult by the
3 complexity of the financial transactions involved, these
4 massive transfers between and among accounts, and the
5 commingling of activity between the personal and
6 campaign accounts.

7 We have also identified a number of other
8 bank accounts and financial institutions to which funds
9 were sent either by check or wire transfer in the names
10 of Joseph Waldholtz individually or in the name of
11 various Waldholtz family members.

12 As Representative Waldholtz herself has no
13 access to these accounts, she is not on those accounts,
14 the account numbers that we have identified to which
15 these transfers were made have been provided to the law
16 firm Powell Goldstein for them to pass along to the
17 federal law-enforcement authorities.

18 I'm now going to turn for a few minutes to
19 our preliminary observations.

20 Based on the information available to us as
21 of this date, we have made these following preliminary
22 observations. You need to be aware that any of these
23 observations may have to be modified as we gain
24 additional information.

25 Joseph Waldholtz had signature authority over

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1 her campaign accounts from late 1992 until he
2 disappeared for a short time in November of 1995. He
3 had signature authority on the couple's personal
4 accounts after the couple's August 1993 wedding, again
5 until the time he disappeared in November of 1995.

6 We have found no instances of valid cash
7 inflows or deposits into the couple's personal accounts
8 from any Joseph Waldholtz trust accounts from Pittsburgh
9 or any other location.

10 Other than Representative Waldholtz' salary
11 and transfers from Mr. D. Forrest Greene, we have found
12 no other significant or substantial inflows into the
13 funds that the couple had personally. We have found no
14 campaign checks that were signed by Representative
15 Waldholtz. We have found also that very few of the
16 personal checks of the couple were signed by
17 Representative Waldholtz.

18 Of the almost 1850 checks, personal checks,
19 we have analyzed so far, Representative Waldholtz signed
20 less than 10 percent of those, representing a dollar
21 amount of less than 1.7 percent of those.

22 We have found in our work so far over \$85,000
23 in campaign account disbursements or transfers made
24 payable to Joseph Waldholtz, of which only \$1,000 was
25 disclosed in the FEC reports. And that exhibit is in

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1 your packet, the listing of what makes up that \$85,000
2 deposit.

3 We have also found apparent campaign
4 disbursements paid from personal accounts -- this is a
5 situation where there were money paid for campaign
6 disbursements from their own accounts -- totaling at
7 least \$238,700. And we believe that this amount is
8 going to increase as our work continues.

9 We, again, have listed in your packet a
10 schedule showing the details of who those vendors were

11 that were paid out of the personal accounts.

12 We have found in our work something that I
13 know most of you are aware of already, that \$1465 in
14 checks made payable to the Utah Republican Party were
15 deposited in a single deposit to a personal account of
16 the Waldholtzes that Representative Waldholtz had told
17 us she did not even know existed.

18 We found that this account, in checking with
19 the bank, First Security Bank, had initially been set up
20 by Joseph Waldholtz and, according to the bank,
21 Representative Waldholtz' name was added to the account
22 months later by Mr. Waldholtz.

23 We have also found \$2,883 in checks made
24 payable by citizens to the Send Enid to Congress
25 campaign, that's the Enid '92 campaign, that were

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1 deposited into this same personal account. And we have
2 a listing of those in the packet of press information
3 that we provided.

4 We have found over \$44,000 in disbursements
5 or transfers from campaign accounts made payable to
6 Representative Waldholtz herself. We have shown these
7 checks to her, and she has told us that these
8 endorsements are not in her handwriting. And we have,
9 again, provided that information to you in the packet, a
10 list of those checks made out to Representative
11 Waldholtz and that she has said were not her signatures
12 and endorsements.

13 Now, I know that most of you are aware that
14 there have been a number of allegations in the press
15 regarding an alleged kiting scheme involving Joseph
16 Waldholtz. This allegations, as you know, is being
17 actively investigated by federal authorities. We have
18 found a series of large checks signed Joseph Waldholtz
19 in 1995 which were deposited into two -- or between and
20 among two personal accounts of the Waldholtzes.

21 These deposits had the effect of overstating
22 the balances in these two accounts and thereby covering
23 substantial overdrafts which existed in those accounts
24 totaling approximately \$250,000.

25 These deposits, which basically moved in a

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1 circular motion going back and forth, total or have been
2 reported to accumulate almost \$1.7 million and occurred
3 over a two-month period of time.

4 Eventually this \$250,000 worth of overdrafts
5 was cured or made good by funds transferred in the name
6 of Joe -- or to an account in the name of Joseph
7 Waldholtz from an account into -- or from an account
8 into which Mr. Greene, Representative Waldholtz' father,
9 had transferred substantial sums.

10 We've also found in several other of their
11 personal accounts situations where smaller varieties of
12 this same activity have occurred. And I'd just like to
13 give you a quick anecdote about one.

14 In one of those accounts, which affected
15 their NationsBank account, which again, as far as we can
16 determine from the bank -- this is a different bank,
17 NationsBank in Washington, D.C. -- that several deposits
18 had been made into that bank account in the first two
19 months of that account. Every one of the deposits that
20 was made into that account was a bogus deposit and was
21 was later taken out of the account by the bank because
22 it wasn't a valid deposit. The only real activity in
23 that bank account for the first two months was an amount
24 of money that was credited to the account by
25 NationsBank, one of the biggest banks in the United

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1 States, for interest on the bogus deposits.

2 Mr. Greene, Representative Waldholtz' father,
3 in a period of time from January of 1994 to October of
4 1995 transferred over \$4 million of monies to the
5 couple's accounts or accounts in the couple's names.
6 According to both Mr. Greene and Representative
7 Waldholtz, most of these transfers were made without her
8 knowledge. These transfers took the form of personal
9 loans or an asset swap involving the assignment of the
10 proceeds from an allegedly impending sale of real estate
11 in Pittsburgh that people have talked about earlier
12 today. Most of these transfers from Mr. Greene went
13 into a single joint personal account at First Security
14 Bank here in Utah.

15 We have found close to \$1.7 million in this
16 same personal account later being transferred over a
17 period of time into the Enid '94 campaign accounts. And
18 we have also found that these funds were later used for
19 campaign disbursements.

20 The balance of this \$4 million represented
21 the following items.

22 Amounts paid out of the personal accounts for
23 campaign expenses, which we have determined, from the
24 list that we provided to you, at least represents
25 \$238,000; other amounts that were paid out in checks to

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1 or transferred to Joseph Waldholtz or his family
2 members, which total in excess of \$400,000 at this
3 point. And, again, as our work continues we expect that
4 number to rise. And the balance was used or made up of
5 personal expenditures of the couple, most of them
6 transacted by Joseph Waldholtz.

7 We have also found approximately \$27,000 in
8 deposits made into the couple's personal accounts from
9 checks made payable to Barbara Waldholtz, who is
10 Joseph's mother, that were apparently endorsed by her
11 over to Joe and then second endorsed by Joseph.

12 Now let me turn for the final comments to the
13 FEC reports.

14 Based on the work we have done to date, we
15 believe that the FEC reports we have looked at appear to
16 be substantially inaccurate. And these are the ones
17 filed in 1992 at the latter part of the campaign and in
18 1994 and 1996, the time period which corresponds to the
19 time period when Joseph Waldholtz was involved in the
20 filing of those particular reports. And I'm just going
21 to give you basically a laundry list of those errors
22 that we found to date.

23 They contain, for example, the following
24 things. The cash account balances that are required to
25 be reported are reported incorrectly. The amounts for

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1 total receipts and total campaign disbursements are
2 reported incorrectly. There are campaign disbursements
3 that were made that were not listed on the reports, as
4 is required. There were incorrect amounts reported for
5 specific vendors. In other words, if you took the total
6 that actually had been paid by the vendors according to
7 the checks, they would not equal the amounts reported on
8 the FEC reports. Some campaign vendors we found to not
9 be listed on the reports though they received amounts
10 from the campaign. We found cash deposits made into
11 campaign accounts for amounts greater than \$100, which,
12 again, is not supposed to happen. We found
13 disbursements made from campaign funds to the
14 candidate's spouse, Mr. Waldholtz, which were not
15 reported.

16 We also found that a number of the
17 contributors listed on the 1994 FEC reports to be ones
18 where in the bank accounts of the campaign we have not
19 been able to find their checks so far. So we believe at
20 this point that we have a situation where there were,
21 what we call in the field of forensic accounting, ghost
22 contributors to the campaign. In other words, people
23 who were listed on the campaign as being contributors
24 but we can find no checks from those individuals in the
25 campaign accounts. And these were typically ones that

1 amounted to \$2,000 donations, which is the maximum for a
2 family.

3 Now, in addition we have also found that
4 contributions amounts listed in the campaign reports,
5 the FEC reports, from the candidate, i.e.,
6 Representative Waldholtz, were incorrectly listed and
7 don't correspond to any deposits in certain instances
8 that we found in the campaign.

9 And also, as discussed before, we have found
10 personal expenditures for campaign funds that were not
11 listed on the report.

12 As I've stated before, our work is ongoing
13 and continuing and will continue until we straighten out
14 those reports. Therefore, my ability to be able to
15 answer your questions will be somewhat limited, but I
16 will make every attempt to respond to you the best I can
17 at this point, given the information that's available.

18

19

20

TRANSCRIPT OF STATEMENTS BY THE LAWYERS OF ENID GREENE
WALDHOLTZ FROM HER

DEC. 11, 1995 NEWS CONFERENCE

TRANSCRIPT BY SUSAN WILCOX KINGSBURY, CSR, RPR
KINGSBURY AND ASSOCIATES, CERTIFIED SHORTHAND REPORTERS

1 ROISTACHER: Good morning, ladies and gentlemen.
2 Just by way of background, as Representative Waldholtz
3 has said, I am Charles Roistacher. I go by Chuck. I am
4 a partner in the law firm of Powell, Goldstein, Frazer &
5 Murphy, the Washington, D.C., office of an Atlanta law
6 firm.

7 By way of background, I spent 20 years as an
8 Assistant United States Attorney in Washington
9 investigating and prosecuting all types of criminal
10 activities, specializing in white-collar crime. I've
11 investigated and prosecuted bank fraud, wire fraud, mail
12 fraud, con men and other types of white-collar matters.

13 When Representative Waldholtz came to us on
14 November 1st, 1995, after a report that she and Joe were
15 under investigation for check-kiting, we sat down and we
16 talked with her about these allegations. We told her
17 that it was very important for us to do a thorough,
18 complete, soup-to-nuts investigation of what was going
19 on.

20 We had observed significant irregularities in
21 checking accounts which were apparently controlled by
22 Joe Waldholtz. We told her it would be necessary to
23 hire a Big Six accounting firm, and we did, we hired
24 Coopers & Lybrand. Mr. Miller, Fred Miller, is here, my
25 colleague who has worked with us on this investigation.

1 We have worked for the last six weeks trying
2 to uncover the financial disaster that this man has
3 caused.

4 Around the same time, as Representative
5 Waldholtz has indicated, she called and asked her
6 brother-in-law, Jim Parkinson, who is also here today,
7 to leave his law practice temporarily and come to
8 Washington and be of some assistance to us.

9 Jim got here on November the 10th, as we've
10 heard, and began confronting Joe Waldholtz on a number
11 of allegations he was making.

12 He took Mr. Waldholtz to the airport,
13 National Airport, on November 11th, claiming to the very
14 end that these trustees would be back here and explain
15 all of this and everything would be okay. And as
16 Representative Waldholtz has said, that is the last
17 time, at the airport, that we have seen Joe Waldholtz.
18 He disappeared.

19 And he disappeared clearly because he was
20 confronted, starting about November 1st and terminating
21 on November 11th, with all of the irregularities in what
22 he was stating.

23 I remember being called to Representative
24 Waldholtz' house Saturday night, canceled some dinner
25 plans with my family and came down there, and I remember

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1 the scene, and I will never ever forget it.

2 One of the things I learned as a prosecutor
3 was to try to experience the feelings of victims of
4 crime. And let me tell every one of you right here that
5 this woman was a victim of a crime. And I'm going to
6 explain a little bit about that as we go on.

7 Our investigation, and it's not complete --
8 We've been working real hard, and we've been turning
9 things over to the F.B.I. as we find them and
10 cooperating fully with the United States Attorney's

11 office. Our investigation has determined massive
12 criminal activity on the part of Joe Waldholtz. He
13 defrauded First Security Bank, he defrauded Mr. Greene,
14 committing mail fraud and wire fraud on Mr. Greene,
15 Enid's father. He committed securities fraud. He
16 committed false filings to the Federal Elections
17 Commission. He committed the crime of filing a false
18 financial disclosure form. He embezzled from the
19 campaign, he stole Treasury checks, he forged Treasury
20 checks.

21 I think I tried to do a calculation of all
22 the crimes that he committed, and I kind of ran out of
23 paper.

24 We have brought with us some exhibits, and my
25 colleague, Fred, is going to try to put them up.

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1 What we have here, the one on the right --
2 and I think about two or three weeks ago we did indicate
3 that we found this -- this is a document that purports
4 to be a Ginnie Mae certificate through The Hillman
5 Company. And as we know, Joe Waldholtz worked for Elsie
6 Hillman, and there have been allegations that he stole
7 funds or misappropriated funds from her. It is received
8 from Rebecca Levenson, and that, as I understand it, is
9 Joe's grandmother, the same grandmother that the family
10 has accused Joe of stealing up to a million dollars of
11 her funds. We found this in the Salt Lake City house
12 when we came back here to investigate what happened.

13 And by the way, we've interviewed over 25
14 witnesses in connection with this, our internal
15 investigation of what happened.

16 And guess what? Right next to it we found
17 another document in someone's handwriting, clearly
18 indicating how to make this bogus certificate up.

19 No serial number on the certificate. We know
20 that it was printed by a printing company here in Salt
21 Lake. And we have turned this and actually a stack of

1 chairman of the National Young Republicans, and she told
2 me that Joe was the key toward getting the support of
3 the people from Pennsylvania.

4 She told me that Joe worked for Elsie
5 Hillman, one of the wealthiest women in the country and
6 the national committee woman for the Pennsylvania
7 Republican Party. Elsie maintained her own political
8 office in Pittsburgh that she used to assist the
9 Republican Party activities as well as candidates.

10 The facade that I came to know and trust as
11 Joe Waldholtz was already firmly cemented in place by
12 November of 1990. I was told that Joe was an
13 Episcopalian from Pittsburgh who had substantial
14 independent means that he was willing to invest for
15 political causes. All of his political friends, his
16 Young Republican friends from Pennsylvania constantly
17 joked about whatever they did Joe would pick up the
18 bill, and he did. I met his friends, I met his
19 coworkers, I met his employer. I went to his
20 high-school class reunion.

21 Nothing in all of the people that I talked
22 with and met about Joe gave me any hint that Joe was in
23 any way different from what I had been told about him
24 and what he had told me about himself.

25 Even after Joe and I had begun a romantic

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1 relationship, there was nothing that his friends, his
2 former employer, who invited us to a party at her home
3 after Joe had left Utah, which we attended, nothing
4 seemed out of character with the Joe I thought I knew.

5 At the urging of some friends in the fall of
6 1991, Chuck Warren and Peter Valcarce, I began to think
7 about running for Congress. They had come to me and
8 told me that they thought I would be a good
9 representative. It took them about three months to
10 convince me to run because it seemed like a very
11 audacious thing to do. But I believed that our country
12 was on the wrong track, and I believed that from my work
13 in Governor Bangert's office I had some idea of how we
14 could improve things.

15 Joe and I had already begun our romantic
16 relationship by then long-distance. He had visited me

17 here occasionally, I visited Pittsburgh. And when I
18 miraculously, it seemed, came through the State
19 convention in 1992 with the most votes of any Republican
20 candidate, Joe who had come out at the convention told
21 me that he was considering leaving the Bush-Quayle
22 campaign. Joe was the executive director of the
23 Bush-Quayle campaign for Pennsylvania by this point,
24 something that he continued to do out of Mrs. Hillman's
25 offices.

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1 Joe by this time in our relationship had told
2 me he wanted to marry me. I had reservations because of
3 our religious differences. Joe had offered to convert
4 to the Mormon church, but I told him that I didn't want
5 to take him at that commitment until he had had an
6 opportunity to see what that truly meant, what kind of
7 life-style that meant. And so when he said he wanted to
8 come to Utah, I thought that that was a wonderful
9 opportunity for Joe to come out and see what being
10 married to a Mormon was really about.

11 Joe returned to Pittsburgh after the state
12 convention for a short time. He told me that he had
13 talked to Mrs. Hillman and that he had decided to leave
14 the Bush campaign. For months he had been telling me of
15 his dissatisfaction with the campaign. He told me he
16 believed that President Bush would not win reelection
17 because he didn't feel the campaign was being run in a
18 way that would allow that to happen. And so after he
19 had been in Pittsburgh for about a week, he called me
20 and said that he had told Mrs. Hillman and the Bush
21 campaign that he had chosen to come out to Utah to
22 volunteer on my campaign.

23 He arrived in Utah not long after that. We
24 were trying to figure out what Joe could do to help move
25 the campaign forward. Peter Valcarce was my manager.

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1 We were running a shoestring campaign. And Peter was
2 trying to do a great deal of work, both as my campaign
3 manager and trying to handle the finances.

4 Peter accidentally made an error in
5 bookkeeping and a check had bounced just shortly before

6 the state convention. I was upset by that, concerned
7 that we needed to make certain that the finances in the
8 campaign had been taken care of.

9 Joe told me that he'd had experience with
10 fund-raising. Mrs. Hillman was on the national finance
11 committee for the Bush reelection. She had expended
12 considerable personal sums I believed through her
13 office, through various organizations she had been
14 involved with. Joe seemed to know a great deal more
15 than anyone else I knew about PAC fund-raising. And so
16 we decided to put Joe in the day-to-day management of
17 our finances.

18 The other reason that I put Joe in charge of
19 those finances is that I believed that Joe Waldholtz
20 above and beyond any other person in the world had my
21 best interests at heart and would never do anything to
22 hurt me or compromise my integrity in any way. And so I
23 trusted Joe to take over the day-to-day finances of that
24 campaign.

25 I was a political unknown. We had a

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1 September primary, and it was extraordinarily difficult
2 to raise funds. I had decided to use the equity in a
3 home that my parents had given me in 1986 in order to
4 partially help finance my campaign.

5 In order to ensure that this was a legally
6 permissible transaction I asked my campaign manager at
7 the time I made this decision, Ron Nielson, to call the
8 FEC.

9 There was a handbook of regulations,
10 information for candidates that I had reviewed. It
11 seemed to me that this was a legal transaction, but I
12 wanted another opinion, and I asked Ron to call the FEC.

13 Ron came back to me and said that he had
14 called the FEC, that he had described the transaction
15 and that this would be, in fact, a legal way to finance
16 the campaign as I would be selling one of my personal
17 assets.

18 To make certain that there would never be any
19 question about this transaction, I had an appraisal done
20 by an appraiser with whom I was familiar from my work at
21 Ray, Quinney & Nebeker.

22 The home was sold for slightly beneath the

23 appraised value because, frankly, my father believed
24 that the appraisal was just a tad high. And so I sold
25 it at \$11,000 beneath the appraised value.

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1 While I was tardy in executing the deed back
2 to my parents, the sale was completed in December of
3 1992. My parents paid taxes on the home, they took
4 possession of the home several months after that. They
5 had given me what the home was worth, and it was now
6 their home. And it was simply a matter of making the
7 transition, as my mother had decided she didn't like
8 condominium life after all and wanted to move back into
9 the family home.

10 At the end of the 1992 campaign, Joe was
11 given the task, assumed the task of marshalling all of
12 the debts of the '92 campaign. The campaign was over.
13 We had been unsuccessful.

14 Joe during the period of mid November to
15 February of 1993 kept coming back to me with more bills
16 that he said were due and owing, bills that I had never
17 OK'd, bills I didn't know about.

18 He blamed Peter Valcarce and said that Peter
19 had exceeded the budget.

20 And, Peter, I want to apologize for believing
21 that. I never came back and asked you because the
22 campaign was over and I didn't see any point in dragging
23 it out.

24 I wanted to make sure that none of the
25 vendors that I had used had debt because of my

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1 unsuccessful campaign, I wanted to make sure all of my
2 vendors were paid. And so I did that.

3 In the last four weeks I have discovered that
4 there was at least \$54,000 that Joe embezzled from that
5 campaign from the period of December of 1992 to February
6 of 1993. This was the same period of time that Joe and
7 I decided to marry and told my parents that we were in
8 love and wanted to marry each other.

9 I was almost 35 years old when I married Joe.
10 It wasn't easy for me to make that decision. We had
11 resolved our religious differences by agreeing that our

12 children would be raised in my faith.

13 Joe encouraged me never to speak to his
14 family about religion because he said it was a sore spot
15 with them because they were concerned that he might
16 convert to my faith. And so I never discussed religion
17 with Joe's parents.

18 I loved Joe Waldholtz and trusted him with
19 all my heart. I now know from the events of the last
20 four weeks that the person that I loved and trusted
21 never existed.

22 Joe and I started as friends. We talked by
23 telephone, started talking more. He was willing to be
24 my full partner, not just in politics but in life. He
25 was willing to allow me to be the public official while

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1 he would stay in the background. He knew that's what
2 would happen if I had been successful in '92, and he was
3 willing to do that. He was generous, not just with me
4 but with others. And for the first time in my life, I
5 felt I didn't always have to be the strong one.

6 I know it's hard for people to understand how
7 someone who was a trial attorney, deputy chief of staff
8 to a governor, chairman of a national political
9 organization can be so fooled. But it was exactly
10 because I was weary of always being the strong one that
11 I thought I'd found someone who could accept me
12 completely, that it was okay when I cried and showed
13 weakness and showed emotion, which I couldn't do as a
14 trial attorney, which I couldn't do as the governor's
15 deputy chief of staff and I couldn't do as a
16 congressional candidate.

17 I know it is fashionable now for people to
18 believe that I only married Joe Waldholtz because I
19 believed he was wealthy, but that's not true.

20 I thought I saw the real Joe Waldholtz, the
21 Joe Waldholtz who arranged for hand surgery for a friend
22 who couldn't afford it on his own, the Joe Waldholtz who
23 would spend hours late into the night talking to a
24 friend going through a difficult pregnancy, the Joe
25 Waldholtz who talked me into giving a higher campaign

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1 salary than I felt good about for someone whose law firm
2 had dissolved unexpectedly and who couldn't make the
3 obligations he incurred for his family, the Joe
4 Waldholtz who helped a young couple who couldn't make it
5 financially, who sent meals to people when they were
6 getting out of the hospital because I didn't have the
7 time to cook it for them and I'm not a good cook anyway,
8 the Joe Waldholtz who saw a lost dog on the street and
9 took the dog home and put an ad in the paper and cried
10 when the owner called us the next morning and was so
11 grateful that we'd found their dog.

12 I knew Joe was abrasive, and I knew a lot of
13 people didn't like him. But I believed that I knew the
14 real Joe Waldholtz who would do all of those things.
15 And whenever I said to him "Joe, if only people knew
16 what a teddy bear you are inside," and he would grimace
17 and say "Don't tell anyone, it will ruin my reputation."
18 That's the Joe Waldholtz I thought I was marrying."

19 Shortly before we got married, we found a
20 home we wanted to purchase. Joe said he wanted to do
21 something outside of the family trust, that it was
22 important to him that we start our lives together
23 independent of all the resources that his family had
24 given him. And so we applied for a mortgage at First
25 Security Mortgage Company to buy our home on Benecia

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1 Drive.

2 At this point, I was working for Novell,
3 managing their litigation department. I first applied
4 only under my name. As I say, Joe and I weren't married
5 yet. First Security Mortgage Company told me I didn't
6 qualify for the level of mortgage we were seeking on my
7 salary. Joe then filed a separate mortgage application,
8 listing over \$27,000 a month in income. In support of
9 that, he submitted to First Security Bank two 1040
10 forms, 1990 and 1991, showing well in excess of \$500,000
11 a year in income, including over 250,000 income a year
12 from the J. W. Waldholtz Family Trust.

13 I saw those tax returns before they were
14 submitted to First Security Mortgage Company. I didn't
15 carefully study them, but they, again, were consistent
16 with everything Joe had told me. Joe had told me long
17 before we decided to marry that he received \$25,000 a

18 month from his family trust and that he could get
19 additional sums from that trust for certain purposes.
20 We then were granted the mortgage, the house
21 was put in my name.
22 Shortly before we were married, Joe told me
23 that one of the things that he wanted to do as a wedding
24 gift for me was to give me money in my own name. He
25 told me he wanted to give me approximately \$5 million.

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1 that whether or not I ran for Congress this was money
2 that was in my name, if I ran it would be available, if
3 I didn't it was still there for me to draw on.
4 Joe took a trip that summer, a short trip.
5 He told me he was going to Pittsburgh to meet with the
6 trustees of the family trust so that he could execute
7 the necessary paper work to make this gift happen and
8 some other things that he had to do before our marriage.
9 These apparently are the same nonexistent trustees that
10 my brother-in-law and Joe went to meet at the airport on
11 November 11th before Joe disappeared.
12 Joe returned from that trip and told me that
13 everything had been arranged. He seemed very happy that
14 he had successfully concluded these arrangements.
15 On our honeymoon he affirmed to me that he
16 had done this. I didn't really want to talk about
17 money, we were on our honeymoon. I thanked him and told
18 him we'd talk about it later.
19 I believe that marriage was a partnership of
20 equals and that each partner in that marriage should do
21 what they were best at. Joe, on the basis of what he
22 had told me about his personal life, what I had seen in
23 connection with his professional life, I believed had
24 the experience far more than I had to deal with large
25 sums of money, so Joe started to take over our family

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1 finances.
2 From the time we were married, I put Joe with
3 signature authority on my checking account, and I had
4 signature authority on his. But I kept my checkbook,
5 and he kept his early in our marriage.
6 I was commuting down to Provo. Joe always

7 got home before I did, he took in the mail. And
8 gradually we got to the point where Joe said "Let me
9 worry about the bills, Enid. Let me take care of the
10 financial matters. You have enough on your mind."
11 Joe kept urging me to run for Congress again.
12 I know that people think that I made the decision the
13 very next day after I lost to run again. That's not so.
14 Those of you who are here in Salt Lake knew what a
15 brutal campaign the '92 race was. Neighbors had come to
16 me and told me things that they had been told about me
17 during the race that were unspeakable, and I wasn't sure
18 whether I wanted to go through that again.
19 I thought about it throughout most of 1993.
20 After our wedding and Joe and I had been married, were
21 settling in our married life, I remember I sat on the
22 stairs in our home and cried and told Joe I just didn't
23 know if I was up to doing it or if we should just focus
24 on our marriage and start our family.
25 I knew that running against an incumbent

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1 would be very difficult, and it would be difficult to
2 raise funds. Joe reminded me that we had the personal
3 wherewithal to make this race happen.
4 I made the final decision to run in the fall
5 of 1993. Again, I believed I had the personal resources
6 to put into the campaign because of what Joe had told
7 me. And I made the decision that that's what I would
8 do.
9 But beginning in 1994, Joe convinced me and
10 my father that he had run into personal difficulties
11 because of problems related to his mother.
12 Joe's parents had divorced when he was a
13 little boy. I had seen some mail come to the house from
14 various financial institutions that had the names of
15 both Joe and his mother and the address what came to us.
16 I didn't open his mail, I never did. I wish I had.
17 But Joe told us that his mother had gained
18 access to these accounts they had in common and had run
19 up huge overdrafts and raided Joe's accounts and that
20 his various obligations had remained in Pittsburgh.
21 Joe told me that funds were not available
22 from the family trust to deal with these problems of his
23 mother because of the divorce, that the trust instrument

24 prevented any expenditure of funds from the trust for
25 any problem related to anyone outside of the family, but

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1 most particularly former family members by divorce.

2 That began the string of events that I so
3 deeply regret that dragged my father into this
4 nightmare.

5 Joe told my father and I he needed this money
6 to resolve these problems of his mother.

7 I was campaigning day and night. I was
8 working as hard as I could on that campaign. Joe
9 handled all of our personal and our campaign finances at
10 this point. Again, I believed that he was the one
11 person that I could truly trust.

12 The first signal that I should have heeded
13 was when my campaign manager, KayLin Loveland,
14 approached me in a neighborhood meeting and handed me a
15 memo detailing concerns she had about omissions on our
16 FEC report.

17 I was upset with her for confronting me in
18 front of potential supporters, but I did not take her
19 concerns lightly. I went back to campaign
20 headquarters -- It was late at night, so we had this
21 neighborhood meeting after the dinner hour so people
22 could attend.

23 I went back to campaign headquarters and
24 asked Joe what this was about and told him how strongly
25 I felt, reminded him how strongly I felt about making

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1 certain that we did everything absolutely correctly on
2 those FEC reports.

3 Joe and I began talking about having an
4 outside accountant come in and handle the FEC reports.
5 We talked about replacing him as treasurer. But we were
6 concerned about the difficulties of trying to run a
7 campaign day-to-day if a person who could sign the
8 checks wasn't right there in the office.

9 While Joe and I were discussing this over the
10 next day or so, I received a phone call from David
11 Jordan who said that Steve Taggart and KayLin Loveland
12 had come to him with concerns about the FEC reports and

13 said that he thought it would be a good idea if Joe and
14 I and Dave Hansen, who was the regional person for the
15 Republican National Committee, and Dave Jordan, the four
16 of us, met. I agreed.

17 We had our meeting. We discussed the
18 questions that had been raised. I gave the explanations
19 that I thought were accurate, that Joe had presented to
20 me.

21 Joe and I told Dave Jordan and Dave Hansen at
22 that meeting that we intended to hire an outside FEC
23 accounting firm who would actually hire (sic) our FEC
24 reports. We told them we were most interested in hiring
25 Stan Huckaby, of Huckaby & Associates, because Joe told

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1 me that he knew Stan Huckaby from their work together on
2 the Bush campaign.

3 I told Dave Jordan and Dave Hansen at the
4 time that it was Stan Huckaby we wanted to hire. I
5 distinctly remember Dave Hansen leaned back and said "If
6 you hire Stan there's nobody better, you'll have no more
7 problems."

8 I thought the problems were simply a matter
9 of Joe being overextended. I thought I knew of the
10 turmoil of trying to deal with his mother's problems.

11 I should say at this point Joe's mother has a
12 a history of severe psychological problems, and it was
13 not at all out of the realm of possibility that as Joe
14 represented to me that she had been taken advantage of
15 by someone through criminal activities.

16 I thought that Joe's errors on the FEC report
17 were due to the strain of trying to deal with his
18 mother's difficulties.

19 We went home. Joe came to me a day or so
20 later, told me that he had hired Stan Huckaby.

21 I called Dave Jordan, told him we had hired
22 Stan Huckaby.

23 Dave's response was "The problem is solved."

24 Within a few weeks of his being hired, I
25 talked with Stan Huckaby directly and told him that

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1 whatever it cost and whatever it took I wanted him to

2 make our FEC reports right from the first day of the
3 campaign through to the last day of the campaign. And
4 Stan agreed.

5 I told him if he ever needed my direct help
6 to call me directly.

7 I remember the conversation so distinctly
8 because I usually don't say spend whatever it takes, but
9 I did to Stan Huckaby. I told him to do whatever it
10 took to make those reports right.

11 I told KayLin of our solution. She,
12 nevertheless, decided to resign. But as KayLin and I
13 discussed it, I believed her resignation was not due to
14 the financial problems which I believe we'd resolved but
15 because KayLin and I just weren't a good fit as a
16 campaign manager and candidate. We had some differences
17 of opinion far beyond the finances. And KayLin decided
18 that she would no longer stay with the campaign.

19 Steve Taggart, as he has now recently said
20 publicly, never once came to me to tell me of his
21 concerns, not once.

22 I know you all wonder why I didn't see the
23 flags at that point and remove Joe from handling the
24 campaign. He was my husband, and I trusted him, and I
25 loved him, and I thought I had hired the best FEC

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1 accountant in the business to help Joe do this right.

2 As long as those campaign finance reports
3 were being filed, and the Huckaby firm filed them every
4 time they were due, I believed we didn't have a problem,
5 that if Huckaby's firm would file them they must be
6 right.

7 I now know that Joe provided false
8 information to the Huckaby firm and that he was taking
9 money from the campaign for his personal use.

10 There are questions about AmEx, about a suit
11 that had been filed. Joe told me there had been fraud
12 on his card. He explained to me that he had a very high
13 credit limit from his traveling days on the Bush
14 campaign. I had seen him use that card on regular
15 occasions after he had had problems using it previously.
16 So I believed he had resolved the problem with American
17 Express.

18 The lawsuit was settled before the end of the

19 campaign. Joe told me that all but \$2,000 of the
20 \$47,000 that was sued for had been acknowledged to be
21 fraud on his card. As I sit here today, I have no idea
22 how much he paid to settle that suit. We're still
23 trying to figure that out.
24 You heard about a check to O.C. Tanner. Joe
25 told me before this was raised as an issue that he was

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1 getting ready to move assets out from Pittsburgh to Salt
2 Lake. And so when he told me that the check hadn't
3 bounced, that he had written the check on an account
4 that he was preparing to close and that he had checked
5 with O.C. Tanner to make certain that they had received
6 their money, I believed him. And when he showed me an
7 affidavit signed by the manager of the jewelry store
8 relating just the story that I've told you, the check
9 didn't bounce, that it was written on a closed account,
10 I believed Joe.

11 And as I sit here today, I don't know if that
12 affidavit was signed by the manager of the jewelry store
13 or not. There was a signature on it, but I don't know
14 if it was a real one.

15 During the late summer of the campaign it
16 became evident that if I was to win the campaign we
17 needed to spend more money. At this point, I thought
18 that I had contributed funds to the campaign based on
19 the Ready Asset account that appeared on my financial
20 disclosure statement and that I believe represented the
21 gift that Joe told he'd given me upon our marriage.

22 Joe told me that the Ready Asset fund and all
23 other trust funds were frozen because of litigation
24 initiated by his cousin, Steve Slesinger.

25 Joe had told me that this was a temporary

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1 situation, that obviously that Steve was unhappy with
2 the arrangements his grandmother had made for him under
3 the terms of the trust and was simply suing to try to
4 get more of the family assets. This seemed consistent
5 to me with everything Joe had already told me.

6 We now know that the trust fund never existed
7 and that the litigation that I heard Joe discussing with

8 his father on the phone on regular occasions was
9 actually litigation initiated by Steve Slesinger against
10 Joe and his father for mishandling of Joe's
11 grandmother's affairs.

12 Joe said that we needed to borrow funds from
13 my father. I told Joe based on my knowledge from '92 we
14 couldn't simply borrow money from my father, that he had
15 to receive something back, that an asset had to be
16 transferred to him, that he receive something of value.

17 Joe suggested that we could assign my father
18 a portion of the trust.

19 And I said that would not work because the
20 trust was in litigation and so, therefore, Joe's right
21 to funds through that trust could be questioned.

22 Without missing a beat, Joe then said "Well,
23 I have some real estate that was recently put into
24 probate through my grandmother's cousin who died without
25 children of her own, who gave me this asset because my

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1 grandmother had entrusted me with her assets and she
2 wanted this to go to a family member."

3 He told me it was in probate, that it was
4 worth \$2.2 million and that there was a ready buyer for
5 the property.

6 I suggested to Joe that perhaps an assignment
7 of the real estate proceeds would be a permissible legal
8 way to give my father an asset but to get liquid funds
9 that I could then put into the campaign.

10 Joe assured me that he would check, that he
11 would find out whether under Pennsylvania law, which is
12 a community-property state, that half of that property
13 would be mine.

14 I asked Joe to check with the trustees and to
15 check with our FEC people to make certain this was a
16 permissible transaction.

17 Joe came back to me later, several days
18 later, very proud and happy, and he had checked, and
19 that this was a permissible transaction. He assured me
20 that it was done correctly, that the assignment was
21 done.

22 I said "I didn't see you sign anything."

23 He said "The trustees have my power of
24 attorney."

25 I now know that none of this was true, that

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1 Joe was willing to go to such lengths that he had my
2 press secretary, Michael Levy on the campaign, who had
3 worked at Dickstein Shapiro, a large Washington, D.C.,
4 law firm, call two lawyers that he knew at Dickstein to
5 ask them about how we could execute an assignment of
6 real estate proceeds.

7 And since Joe has left, in going through the
8 papers that he left behind we found two faxes from
9 Dickstein Shapiro that are drafts of an assignment of
10 real estate proceeds.

11 My attorney has talked with the attorney at
12 Dickstein who talked with Joe about how the transaction
13 had to be structured. And so Joe knew enough to be able
14 to lull me into believing that this had been done
15 correctly.

16 We now know there was no Waldholtz trust
17 money and that the money that went into my campaign I
18 believed through the Ready Assets fund and through a
19 legally permissible assignment of assets to my father
20 was, in fact, the money that Joe had borrowed from my
21 father.

22 We still don't know the exact amount that was
23 used to fund my campaign in 1994 because we've
24 identified transactions in '92, '94 for the '96 campaign
25 where Joe diverted money for a variety of personal

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1 purposes, including payments to his father, payments to
2 his grandmother, payments to his mother and payments to
3 himself.

4 After I was elected to Congress, we went back
5 to begin orientation. We rented a large home in a
6 neighborhood we thought was safe, largely because I
7 hoped that we would soon have a baby, because I wanted
8 to establish a home atmosphere if we were going to be
9 traveling back and forth. I didn't want to just have a
10 place to land.

11 I was so happy when I found out we were
12 expecting our baby, so grateful that Joe and I had the
13 personal resources that Joe would be able to accompany

14 me, to fly back and forth with me, so thrilled that we
15 would be able to continue some sort of family life even
16 while serving in Congress.
17 Joe told me that the trust litigation was
18 getting resolved, but there was always one more problem
19 that we had to get over. He again requested loans from
20 my father, saying it was necessary to resolve an
21 outstanding lawsuit or it was obligations created by the
22 problems with his mother.
23 We now know that the money that he borrowed
24 in the spring of 1994 from my father was not to free up
25 the money in the trust -- excuse me -- spring of 1995,

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1 not to free up the money in the trust and not to deal
2 with problems of his mother but to cover a check-kiting
3 scheme that Joe had engaged in.
4 By this point in time, David Harmer, my
5 administrative assistant, had left the office. David is
6 a wonderful person. He enjoys policy, not
7 administration. And administrative assistants have to
8 be able to focus on getting the mail out and checking
9 the invoices and doing all of the unpleasantness of a
10 Congressional office rather than being able to focus as
11 much on policy.
12 And so we had agreed that David would go out
13 and pursue an opportunity in policy-making rather than
14 paper-pushing.
15 Joe took over the responsibility of
16 organizing my desk, my phone calls. Joe never made
17 policy. When he told me that I had so much to worry
18 about that if I would let him deal with the finances and
19 the mechanics, figuring out what phone calls had to be
20 returned when, getting the paper to me in the order it
21 needed to be dealt with, that he would want to do that
22 to help me.
23 I now realize that what was really happening
24 was Joe was restricting my access to any information
25 that would clue me into what was really happening. It

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1 was Joe that took all the messages off of our home phone
2 at night. I didn't even know the access code, I didn't

3 want to, Joe said he'd do it.

4 Joe was the one who told my staff to put my
5 calls through to him so that he would make certain I got
6 them and return the ones that needed to be returned.

7 I now know that Joe told my staff when they
8 would receive calls from creditors or from a landlord or
9 from someone else seeking payment not to tell Enid and
10 even resorted to threatening them that if I lost the
11 baby it would be their fault.

12 This summer, there was another report of
13 checks bouncing. Joe told me that he had a box of
14 checks stolen from the Cincinnati airport. It made
15 sense to me, we'd gone through Cincinnati. Joe always
16 carried a big briefcase of papers with him that he
17 didn't always zip closed, and he told me he was bringing
18 checks home so he could sit down and take care of some
19 bills while we were in Salt Lake.

20 He showed me a document from First Security
21 Bank, memorializing a telephone conversation where Joe
22 had told them that checks were stolen and advising us
23 that we needed to close the account and reopen a new
24 one.

25 Let me say a word about the financial

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1 disclosure reports.

2 In 1994, Joe and I sat down together over a
3 period of several days to fill out the disclosure form.
4 I had previously filled out a disclosure form in 1992
5 before Joe and I were married that I believe as I'm
6 sitting here is accurate in every respect.

7 I talked with Joe about how we needed to
8 report the trust income and trust assets. And Joe told
9 me that he believed that this trust was a qualified
10 blind trust, such that under House Rules the specific
11 holdings in the trust should not and need not be
12 disclosed on the financial disclosure statement.

13 Over a period of several weeks leading up to
14 our filling out the disclosure form, I had asked Joe to
15 check with the trustees to ascertain whether this was a
16 qualified blind trust. He told me he had.

17 As we sat down to fill out the disclosure
18 form, we had excruciating conversations about values.

19 I asked him about the Monroeville property,

20 and he told me it was supported by an appraisal, that it
21 was a piece of property that was key to developing a
22 entire commercial block in a burgeoning suburb of
23 Pittsburgh. He told me about a coin collection that his
24 grandfather had given him as a little boy.
25 We talked most excruciatingly, and I remember

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1 Joe getting irritated with me, about how many times I
2 asked him if he was certain that this was a qualified
3 blind trust.

4 We had sat at our kitchen table across from
5 each other, filling out a draft disclosure form in
6 pencil. We completed the form, but it was the day it
7 was due, and I had to leave for a campaign appearance.
8 And Joe convinced me to sign blank forms that he would
9 then fill in and get to the post office.

10 I never saw that form again until in the last
11 four weeks. I never knew that Joe had changed our
12 pencil draft from showing there was qualified blind
13 trust income to showing that there was not

14 The 1995 disclosure statement, once again,
15 Joe and I worked on together. I asked him for copies of
16 the '94 statement so that I could make certain that we
17 had accounted for every asset. I was relying on Joe as
18 I had in '94 to account for transactions or values and
19 assets he brought into our marriage, and I was
20 responsible for assets I brought into our marriage.

21 He brought me the '94 form but without the
22 cover page. I never questioned it because all I was
23 looking at was assets, liabilities and transactions. I
24 knew the answers for the cover page, and so I didn't
25 question it.

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1 After Joe disappeared, we have found many
2 copies of that 1994 disclosure statement without the
3 cover page in his file where we also found his pencil
4 draft of the 1995 disclosure statement where clearly we
5 checked the boxes marked Qualified Blind Trust Income
6 "Yes," and they were erased and he put in "No."

7 On May 15th, as I was getting ready to sign
8 that disclosure statement, Joe brought the disclosure

9 statement in to me. I reviewed it in the presence of my
10 press secretary, Kate Watson. We discussed the trust.
11 I noted that the "Yes" boxes had been checked. I went
12 through the rest of the form primarily to make sure
13 every asset was listed. I was relying on Joe for the
14 values for the assets he brought to our marriage.
15 I signed the form, and Joe left my office.
16 A few minutes later he came running back in
17 and said "Enid, quick I messed up the first copy."
18 I thought he smudged it or wrinkled it or
19 something, certainly nothing substance.
20 He said "Quick, sign this copy, we've got to
21 get it filed."
22 I didn't look at it, but I signed it. And
23 after Joe left, we found two sets of disclosure forms.
24 The first one that I signed with the trust income,
25 saying that we had some, and the second one he came

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1 running in to me with, saying we did not. That is the
2 one that he filed with the clerk of the House. I didn't
3 see that either until within the last four weeks.
4 When "The Tribune's" accountant this summer
5 asked to see the Ready Asset form, I readily agreed.
6 But the call had come in first to my press secretary,
7 who consulted with Joe, who decided not to tell me about
8 it until they had come up with the solution as to what
9 we had done wrong on the disclosure form.
10 I was in my seventh month of pregnancy, and
11 Joe told Kate he didn't want me upset, that they would
12 figure out what was wrong first and then they would tell
13 me and we would go forward with showing documentation to
14 "The Tribune's" accountant.
15 Joe pointed out to me that he checked the
16 wrong box on the Ready Asset form. Again I believed him
17 because I believed the value of the gift to me was
18 somewhere around \$5 million.
19 Joe faxed a copy of a document out to my Salt
20 Lake City office. It was provided to "The Tribune's"
21 accountant. I didn't see it at that time. I thought
22 the problem had been resolved.
23 That summer Joe and I talked about getting an
24 accountant to deal with our personal finances, because
25 Joe kept talking about problems created by his mother,

1 by the trust litigation, by wires going astray.

2 And I said "Joe, the only way that people are
3 going to believe all of this, as I do, is if we have an
4 independent accountant who can tell people what's really
5 going on."

6 The first thing I felt we needed to get taken
7 care of were the disclosure statements that I now
8 realized we needed to amend, but I didn't want to amend
9 them until I had seen the original documentation.

10 I also wanted to make certain that the
11 Huckaby firm did a look-back at our FEC reports to make
12 certain that they were all correct.

13 Joe told me that he had ordered all these
14 documents from our bank, that it was taking a little
15 while to get them.

16 We came home for the August recess. I had
17 developed toxemia in my pregnancy and was restricted by
18 my doctors in my activities. I stayed in bed most of
19 the time, but I kept asking Joe about those documents.

20 And at one point during the month of August,
21 several boxes arrived, all sealed up, and Joe told me
22 that those were the campaign documents that he had
23 ordered from our bank, that we would take them back to
24 Washington with us when we went back after Labor Day, to
25 be turned over to the Huckaby firm and we could finish

1 the disclosure statements.

2 Our baby Elizabeth was born early, three
3 weeks early, because I had developed a condition that
4 was dangerous for her. I had been going in for regular
5 testing every few days in the hospital. At one point,
6 the doctor finally said "We're going to deliver your
7 baby now."

8 I had a cesarean, during which time they also
9 found a few other problems that they dealt with. And I
10 returned home, pushing to get back to Washington as
11 quickly as I could so that I could continue my duties as
12 a representative.

13 We stayed home a few extra days because
14 Elizabeth had jaundice, I wasn't willing to move her

15 until we knew she was perfectly healthy.
16 Joe had all of these boxes shipped back to
17 our home in Washington, D.C. And I started pushing him
18 to get them done.
19 He started pulling out a few documents that
20 he would -- he was telling me he had gone to the Huckaby
21 firm for them to be able to finish their work.
22 This fall Lee Davidson of the "Deseret News"
23 asked to see the Ready Asset certificate. I agreed.
24 Joe told me that the original wasn't in Washington, that
25 we still had a copy, same copy that we had shown "The

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1 Tribune."
2 I showed to it Lee, believing it was
3 accurate.
4 Lee asked me questions about information that
5 had been omitted. On the basis of what Joe had told me
6 I told him that the numbers, there were things like
7 Social Security numbers and account numbers, that we had
8 simply whited-out. And I agreed to get the original to
9 Lee along with any other original documents he wanted to
10 see.
11 Unbeknownst to me, Joe at this point in time
12 was under tremendous pressure because there had been an
13 order entered requiring him to account for his
14 grandmother's assets, that we now believe Joe
15 misappropriated sometime around 1986 or '87.
16 Joe had been ordered, I now know, to appear
17 in court in Pittsburgh to account for approximately
18 \$600,000 in assets.
19 Unbeknownst to me, Joe approached my father,
20 who turned him down. Joe came to me to approach my
21 father -- I didn't know he'd already done this -- I
22 turned him down.
23 Joe tried to get me to give him the equity in
24 our home in Salt Lake, and I refused. I said "Joe, get
25 those trustees down here. I want to talk to them. You

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1 tell them to bring all the original documentation, and
2 we're going to settle this once and for all. I'm sick
3 and tired of the problems created by your family for my

4 family."

5 By this point in time, I was concerned about
6 Joe's mental health. He was threatening suicide, he was
7 threatening divorce. I physically had to go sit in
8 front of our front door to keep him from walking out and
9 disappearing at 3 o'clock in the morning. I believed
10 then that the reason that we hadn't completed all of
11 this was that Joe was experiencing emotional or mental
12 difficulties for which he needed treatment.

13 When allegations about check-kiting surfaced,
14 I was indignant. I believed it was politically
15 motivated, and I called the head of the Congressional
16 Federal Credit Union, demanding an explanation.

17 When I found out that the U.S. Attorney was
18 looking at our bank records, I immediately called my
19 friend -- Joe called, as we discussed about it, our
20 friend Ladonna Lee, who's been described as a spin
21 doctor, who's a dear friend.

22 I asked Ladonna if she knew of a law firm in
23 town who dealt with criminal matters. I never dreamed
24 I'd be in this situation. I didn't know who to talk to.
25 I still believed in my husband.

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1 He told me that there had been unusual
2 activity because his mother was, once again, trying to
3 get into his accounts. I didn't know what was going on,
4 and I wanted an attorney to look at it and tell me.

5 Ladonna recommended the firm of Powell
6 Goldstein. And I went and talked to them, asking them
7 to represent Joe and I.

8 During this same period of time, Joe and I
9 and Elizabeth came home to Salt Lake so Elizabeth could
10 be blessed. My family had gathered. Because I believed
11 Joe was suicidal I went to my brother-in-law and I said
12 "Jim, I need you to come back to Washington. We've got
13 all these allegations swirling around us, and I can't
14 get Joe to focus on it. He won't help me, and he's
15 talking about suicide."

16 Jim agreed to come back to Washington. He's
17 an attorney with a practice in Southern California. He
18 told me he needed to go down to Southern California and
19 get a few things taken care of and then he would come
20 back to D.C.

21 Before Jim could get there, Joe and I
22 together then met with the attorneys after I had talked
23 with them individually. Joe signed a limited power of
24 attorney to allow them to gather documents which they
25 immediately began to do. Joe continued to insist that

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1 the trustees would arrive in Washington on Saturday with
2 the documentation and that we would answer all of these
3 questions.

4 Joe tried to convince Jim not to come. But
5 one morning when I thought Joe was still in bed, I got
6 on the phone and begged Jim to get to Washington as
7 quickly as he could.

8 Jim arrived the night of November 10th, the
9 same night that my attorneys came to me and told me that
10 they wanted to represent me but that they could not
11 represent Joe.

12 Jim and I questioned Joe at length on Friday
13 night. Joe insisted to me that everything he told me
14 was true and begged me not to leave him.

15 The next day, Jim and I questioned Joe again,
16 and nothing made sense, nothing tracked. Joe suddenly
17 wildly inflated the amount of money he'd get from the
18 trust every month, he wildly inflated the value that he
19 had told me of the trust, and the names of the trustees
20 suddenly changed. Joe nevertheless insisted that they
21 would be arriving that afternoon. And Joe and my
22 brother-in-law left for the airport.

23 Joe called me from the car, knowing how upset
24 I was, and insisted that as soon as they would get the
25 trustees there back to the house everything would be all

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1 right.

2 He had called me from the car phone, telling
3 me he was lost, didn't know how to get to National
4 Airport, asking me for directions.

5 He called me again from the airport, asked me
6 why I was so upset. Told me that as soon as they had
7 the trustees at the house everything would be fine.

8 By that time, for the first time in our
9 marriage, I had opened Joe's briefcase without asking

10 him, and I had found bills from banks he told me he no
11 longer done business with.

12 I asked him about it on the phone, and he
13 said I didn't understand what I was reading. And I
14 asked him to put my brother-in-law on the phone.

15 Joe said "Jim's not here, he's about 40 yards
16 down the concourse. We'll call you right back."

17 And from that moment to today I've had no
18 contact with Joe Waldholtz.

19 Many people have wondered how I could file
20 for divorce so quickly after he left. He left on
21 Saturday. I called the police, I reported him missing.
22 I thought he might have committed suicide.

23 Saturday night in an attempt to figure out
24 what he might have done or where he might have gone I
25 started going through his papers and through that

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1 briefcase.

2 And during that next 24 hours while I worried
3 about whether Joe would be found alive or not, I found
4 his drafts to forge the Ready Asset document that I
5 showed to Lee Davidson and to "The Tribune."

6 His father told my brother-in-law that Joe
7 had stolen \$2 million from his grandmother. His father
8 told my brother-in-law that before we were married Joe
9 had been required by his family to make a trip to
10 Pittsburgh, not to meet with the trustees to make me a
11 wedding gift, but to discuss Joe's mishandling of his
12 grandmother's estate.

13 On Sunday, as we continued to go through his
14 documents, I found the duplicate '95 disclosure
15 statements. I found that he had lied to me about
16 paychecks of mine that he told me he had misplaced but,
17 in fact, he forged my name to and cashed. I found there
18 was no trust. And I found everything that I thought I
19 knew about Joe Waldholtz that I loved and trusted was a
20 lie.

21 I have been cooperating with the federal
22 authorities in every way I know how, given them access
23 to my Salt Lake home. My attorneys flew out to Salt
24 Lake to try to see what else was in Salt Lake.

25 They found falsified securities certificates

1 in the name of Joe's grandmother.

2 We found other materials, things that
3 immediately told me that for the sake of my daughter I
4 had to file divorce proceedings as quickly as I could so
5 I could get temporary custody of her and try to get sole
6 custody of my daughter because I knew that I knew
7 nothing about the man that I thought was my husband,
8 knew was Elizabeth's father.

9 My accountants are now preparing new FEC
10 reports and new disclosure statements. As I said, we
11 found that Joe's embezzled from each of the three
12 campaign committees affiliated with me.

13 I trusted Joe Waldholtz. I believed in him,
14 I believed that the money I contributed to the campaign
15 was legally mine, I believed that our disclosure
16 statements were accurate, and now I want to tell
17 everyone how truly sorry I am.

18 To Karen Shepherd and Merrill Cook, I'm
19 sorry, I didn't know. To the voters, I didn't know.
20 I'm sorry that I regarded "The Salt Lake Tribune's "
21 accusations as political. I'm sorry that I believed
22 that we had put sufficient safeguards in place through
23 hiring the Huckaby firm that there would be no more
24 problems with our FEC reports. I'm sorry most of all
25 that I trusted and believed in a husband who hurt so

1 many people.

2 I can't make right everything that Joe did, I
3 can't fix all of the problems and the hurt that he
4 created, but I'm trying to do what I can.

5 And before I ask Chuck Roistacher and Fred to
6 come up I just want to say this. I know as you sit
7 there it's hard for you to understand how I could have
8 let these warning flags go by. I just ask you to do
9 this: When you go home tonight and you're with the
10 person you love most in the world and they're holding
11 you as you go to sleep and they tell you that they love
12 you and that you're their life, ask yourself if you
13 think they're capable of what I've just told you. And
14 if you don't think they're capable of that, then maybe
15 you'll understand why I didn't think Joe was either and

16 why I believed him.

17 Before I answer your questions, I'd like to
18 have my attorney, Charles Roistacher, and my accountant,
19 Fred Miller, come and give you some technical
20 information.

21 Charles.

22

23 (Presentation by Charles Roistacher and
24 Fred Miller.)

25 * * * * *

TRANSCRIPT OF QUESTION AND ANSWER SESSION FROM REP. ENID
GREENE WALDHOLTZ'S

DECEMBER 11, 1995 NEWS CONFERENCE

TRANSCRIPT BY SUSAN WILCOX KINGSBURY, CSR, RPR
KINGSBURY AND ASSOCIATES, CERTIFIED SHORTHAND REPORTERS

1 WALDHOLTZ: We've told you what we now know based
2 on the documents, that review is continuing, and there
3 will be additional information that we will provide as
4 it becomes available to us.

5 I'm going to answer your questions. But
6 before I do that I want to make a couple of points.

7 First, I want to reemphasize that I am
8 cooperating fully with the various federal law
9 enforcement agencies involved in this matter. I'm
10 testifying before the grand jury on Thursday, which we
11 had agreed to before we were subpoenaed. I was
12 subpoenaed as a matter of policy within the Justice
13 Department. I'm doing everything I can to let them
14 figure out what has happened.

15 And, in fact, as Fred described to you, we
16 will not know everything that happened until the
17 law-enforcement people have been given the opportunity
18 to access the accounts that Joe had that I was not on
19 because I cannot legally get access to those documents,
20 and so only the law-enforcement agencies can do that
21 absent Joe's consent.

22 Secondly, we are in the process of preparing
23 amended financial disclosure statements, as I have told
24 the Ethics Committee, and to file amended FEC reports.
25 And it's our goal to have both of these things done by

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1 January 8th.

2 As Fred told you, we are having to
3 reconstruct many of the documents because those boxes
4 that I described to you that Joe had shipped back, there
5 were about a dozen of them, and about six of them the
6 contents were destroyed. Joe threw them out before he
7 disappeared.

8 And so we do not have access to all of the
9 original documentation.

10 But we plan to file those by January 8th.

WALDHOLTZ'S NEWS CONFERENCE

11 In connection with that, I want to point out
12 that the Enid '96 report will show one mistake that I
13 made, where I signed a check to Public Strategies for
14 \$4,000. It was my account, my funds, my signature, that
15 I thought I could show as a contribution of my funds to
16 the campaign.

17 My accountant has now told me that that was
18 the improper way to do it, that I should have put the
19 money in the campaign account and written a campaign
20 check. So there is one instance that you will see on
21 the Enid '96 account that I now know was impermissible
22 that I did.

23 I know you all want to know what my future
24 plans are.

25 I have considered very carefully the question

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1 of whether I should resign from the Congress of the
2 United States.

3 Joan Claybrook, the head of Public Citizen,
4 held a press conference last week where she said if I
5 knew of these illegal activities or if I participated in
6 covering them up then I was not fit to serve and should
7 resign. And I agreed with her statement. But the fact
8 is: I did not know about these illegal activities, and
9 I did not in any way attempt to cover them up. And so I
10 have concluded that I should not resign and will not.

11 (Applause)

12 Our country is facing one of the momentous
13 periods in our recent history. And the Second
14 Congressional District needs to have somebody back there
15 representing the views of this community. I am still a
16 member of the Rules Committee. The Rules Committee does
17 most of its work behind closed doors, and so most people
18 will never know what we've been able to accomplish as a
19 committee.

20 I'm one of only 13 members of the House to
21 serve on that committee.

22 We have been able to move forward the line
23 item veto when it was stuck. We changed the Medicare
24 funding formula that will help rural Utahans. I was
25 personally able to strike a 40 percent surcharge on all

1 civil federal penalties that was included in the budget
2 reconciliation package at the last minute.

3 I feel good about what I've been able to
4 accomplish on the gift ban, about adding three-quarters
5 of a billion dollars in child-care funds for low-income
6 women, for streamlining liens on deadbeat parents who
7 leave the state, for helping ban partial-birth
8 abortions.

9 I feel good about those things that I've
10 done. I feel good about the fact that we are poised to
11 finally balance the budget. And so I have concluded,
12 after great thought, that I'm going to remain and finish
13 out my term.

14 As for running for reelection, that is a
15 question I haven't resolved. The things I'm going to
16 take into consideration as I consider that are, first,
17 my daughter and, secondly, the District.

18 I want to say today that I know there are
19 people of both parties who are considering whether to
20 offer themselves as candidates, and I encourage them to
21 do that. I'm not discouraging anyone from either party
22 of stepping forward and encourage them to offer
23 themselves as candidates.

24 Now I'm going to answer your questions. If I
25 can just finish how we're going to do it and then I'll

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1 answer the questions.

2 I may refer detail questions on amounts or
3 dates or that kind of thing to Chuck or Fred.

4 To be fair, I'm not going to take followup up
5 questions on the first round, we'll come back to that.
6 And I'm going to answer all of the questions of the Utah
7 media first before moving on to the national media, and
8 then I'll answer questions of any nonmedia people that
9 have not already previously been asked and answered.

10 Q. Considering the obvious emotional framework
11 do you think you can be an effective Congressperson
12 while this all continues to go on?

13 WALDHOLTZ: Yes, I do. And the reason I do is
14 this. Throughout everything that has happened in the
15 past year, my pregnancy and this personal terror, I've
16 maintained over a 90 percent voting record in the House.

17 I've attended my Rules Committee meetings and
18 participated fully on the committee. I intend to
19 continue to do that. I have a wonderful team in place
20 to help me get these questions resolved. The last month
21 we've spent getting ourselves in a position to know what
22 happened.
23 The other reason I believe I can do that is
24 the reaction of my colleagues, colleagues from both
25 sides of the aisle who have been supportive and who have

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1 allowed me the dignity of being able to continue to do
2 my work, and I believe they will continue to do that.
3 And So I will remain.
4 Q. Congresswoman, when you apologized to
5 Representative Shepherd and Mr. Cook you seemed to
6 indicate that even though you had acted in good faith
7 the election was tainted, the money affected the outcome
8 of the election and it did so contrary to the rules. Do
9 you believe the election was tainted? And if so is
10 there anything you can do now to make up for that false
11 win, if that's what it was?
12 WALDHOLTZ: There is no question now that we did
13 not follow the rules. I believed we did. I also
14 believe, as I said, at the time of the election that I
15 don't think money was the only issue in this campaign.
16 (Applause)
17 WALDHOLTZ: Each of my opponents spent substantial
18 sums, as did I. And I really don't think there was any
19 question left in the voters' mind where we stood on
20 various issues.
21 I believed then, and I believe now, that
22 issues are the most important reason that people get
23 elected.
24 There isn't anything I can do now to fix that
25 other than to file my amended reports, to acknowledge

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1 what has happened and to move forward.
2 Q. Congresswoman, in your '94 personal financial
3 disclosure, you list a number of assets. At this point,
4 there were apparently two loans, if I'm not mistaken,
5 from your father to both you and Joe Waldholtz. Is that

6 correct?

7 WALDHOLTZ: In which year?

8 Q. In '94.

9 WALDHOLTZ: Well, loans were made during '94 to
10 deal with his mother's problems.

11 Q. That's what I'm asking about, because there
12 are a number of assets in your '94 personal financial
13 disclosure that could have been made liquid in order to
14 finance any legal problems that he alleged to have with
15 his mother.

16 Instead of going to your father and seeking
17 money or instead of having Joe go to your father and
18 seek money, why did you not ask your husband to make
19 some of his very substantial assets, at least those
20 listed here, liquid to pay his own legal bills?

21 WALDHOLTZ: The reason was, as I described
22 earlier, that my husband said earlier that anything that
23 was derived from trust assets could not be used for
24 maintenance and support of his mother. At one point, I
25 did, in fact, ask my father to sell stockholdings that I

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1 had. Those transactions are reflected through KLA
2 Instruments and Computer Associates.

3 So my husband had told me those funds could
4 not legally be used to deal with problems created by his
5 mother. I asked my father, and he did, in fact,
6 liquidate assets that I could liquidate.

7 Q. Congresswoman, regarding your reelection
8 plans on hold right now do you believe you could
9 effectively represent the district if you're telling the
10 voters that you were completely duped by your husband.
11 They're entrusting you to represent them.

12 WALDHOLTZ: As I said in my earlier statement,
13 this is the one area of my life where I completely let
14 down my guard.

15 I thought that's what marriage was for. I
16 believed in my husband. I didn't question him.

17 I think if you talk with my coworkers,
18 whether through the Governor's office or in Congress, I
19 am not so trusting of anyone else.

20 Q. Congresswoman, if your husband is indicted
21 and convicted what do you think is an appropriate
22 punishment or treatment?

23 WALDHOLTZ: I'm going to leave that to the
24 law-enforcement officials.
25 Q. Congresswoman, I wanted to say I was moved by

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1 your statement today, and I very sincerely hope that
2 what you've said is true.

3 WALDHOLTZ: It is.

4 Q. But I do want to ask you, Congresswoman: If
5 Joe had done these manipulations, to steal a car, for
6 example, and in the same way you didn't know a thing
7 about it, as you, of course, say you knew nothing about
8 this campaign financing method, wouldn't it still be a
9 stolen car, and wouldn't you still have to return it?

10 WALDHOLTZ: There's no way to return an election.
11 I wish there were. There's no way that I can do that.

12 And so all I can do is move forward in
13 representing the people of this community in the way I
14 believe they want to be represented, and then they can
15 make another choice as to what they would like to do as
16 the process allows for next November.

17 Q. With all of your financial troubles that
18 you're embroiled in now, how are you paying for legal
19 representation and your accountants at this point?

20 WALDHOLTZ: I am in the process of liquidating all
21 my assets. I also have been very blessed with a very
22 supportive family.

23 I unwittingly dragged my father, who is the
24 finest man I know, into this mess. And he and I are
25 going to work together to get through it, and I'm going

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1 to pay him back as much as I can through liquidating
2 everything I own. Unfortunately he's still going to
3 have to help. But I'll do everything I can to minimize
4 that as much as I can.

5 Q. I wanted to ask, Congresswoman, about -- It
6 seems one of the key questions in all of this is related
7 to your character. And you know how you've been
8 portrayed certainly in the media in the past several
9 weeks. One related to whether or not you are
10 politically ambitious, perhaps cold, calculating. The
11 other notion being you were duped somehow by love.

12 And I wanted to know -- There was a great
13 deal of money involved either way, whether or not you
14 were duped by your husband. Suppose the question
15 related to you being calculating. Why were you so
16 desperate to win?
17 WALDHOLTZ: It took me 9 or 10 months to decide to
18 run again after the '92 loss. I wasn't desperate to
19 serve in the Congress. I wanted to. I wanted to badly.
20 But I also knew I could die a fulfilled person if I
21 didn't.
22 I believed at the time I made my decision in
23 '93 and right up until my husband disappeared four weeks
24 ago that we had the financial resources to fund the
25 campaign, and I decided that I wouldn't let money be the

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1 issue.
2 Money is too much the issue in politics
3 today. I wanted to get out and talk about what I wanted
4 to talk about, and I decided I wouldn't let a lack of
5 funds stop that when I had the funds available to not
6 make money the issue. And that's why I decided to
7 infuse what I believed with all my heart were personal
8 funds into the campaign at the end.
9 Q. Congresswoman, whatever became of Huckaby &
10 Associates? When they were purportedly hired, there was
11 some payment paid to them apparently from the FEC which
12 now are completely in question in your FEC reports. Did
13 Huckaby ever do anything for you? Why are they not here
14 now? And what was their status? Would they not do
15 something because they were unethical or problematic?
16 WALDHOLTZ: Huckaby & Associates from the time of
17 the meeting I told you about with Dave Jordan forward
18 filed all of our campaign FEC reports.
19 One of the questions in all this, I suppose,
20 is what information they gave to Joe and how he was able
21 to convince them to file reports without seeing bank
22 statements.
23 One of the things that we have discovered
24 over the last several weeks is that Joe had an amazing
25 capacity to talk people into doing things they wouldn't

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1 ordinarily do.

2 We have discovered letters in the file from
3 Huckaby & Associates to Joe, saying: We haven't seen
4 your bank statements. And they were basically making
5 all kinds of caveats about the accuracy of the reports,
6 but they nevertheless filed the reports.

7 And as long as they were filing the reports,
8 I believed that the reports were accurate. Part of what
9 we have to try to figure out is what Joe provided to
10 them that made them think that what they were filing was
11 accurate in any way.

12 Q. In the past several weeks, what kind of
13 contact have you had with some of the Republican top
14 people here in the state? Have you talked with the
15 governor? Have you talked with Republican Party
16 leaders? And do you sincerely believe that unilaterally
17 they're still behind you?

18 WALDHOLTZ: I have talked with all of the members
19 of the delegation and with the governor. I've talked
20 with the head of the state Republican Party. I have
21 informed all of them that I have no intention of
22 resigning. And I believe they all concurred with that.

23 Other than that, I have some things to figure
24 out.

25 Q. About your 1992 campaign, you said that your

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1 father bought back the house that he had given you. The
2 sale didn't occur until December 1992, which is a month
3 after the election. Were you obtaining funds in advance
4 of that sale that you used during the campaign? If so,
5 why wasn't it reported as loan on your disclosure?

6 WALDHOLTZ: The question is: Why weren't loans
7 from my father reported in my disclosure form during the
8 1992 campaign.

9 Yes, I was receiving money from my father
10 against the purchase price of the home.

11 As I say, we had an appraisal done, the home
12 was sold for fair market value. It was a transaction
13 that I believe and still believe is legally permissible
14 under the FEC rules. The reason no loan was reported
15 is, number one, it wasn't a loan. It was a sale of an
16 asset over time. But, number two, even if it had been
17 considered a loan, loans from parents, spouses or

18 children are not reportable on your disclosure
19 statement.

20 Q. On your FEC disclosure statement they are,
21 are they not --

22 WALDHOLTZ: Oh, yeah, it was not -- yes, on the
23 FEC reports. Again, it was not considered by my father
24 or me to be a loan. It was considered a sale of an
25 asset.

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1 Q. How much money do you have in your campaign
2 account now?

3 WALDHOLTZ: We have approximately 3500 in the Enid
4 '96 account today. We have some bills that have come
5 due that we are going to pay immediately. That will
6 take us down to about nothing. My husband had reported
7 \$120,000 cash on hand at the end of the last reporting
8 period that he told me was in an account in Pennsylvania
9 as he had told me throughout the '94 campaign.

10 Two days before he disappeared, I told my
11 husband that in order to settle these questions about
12 where that money was that I wanted all of that money
13 transferred from Pittsburgh to Salt Lake. In fact, I
14 have a memo that my husband gave me with a phone number
15 and name of an individual instructing them to transfer
16 those funds out here and a note in my hand asking them
17 to call me to confirm the wire transfer and the exact
18 amount of the transfer.

19 Joe left before I could confirm that. And
20 then I realized that there was no point in trying to
21 confirm \$120,000 that didn't exist.

22 Q. So why was the money in Pittsburgh and not
23 Salt Lake, the campaign money?

24 WALDHOLTZ: Because my husband said he felt more
25 confident in his relationships with banks in

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1 Pennsylvania than he did in Utah.

2 Q. The voters in your district are rather
3 devastated about these events. What will you do to
4 right that with them and to let them know they can still
5 depend on you to represent them in Congress?

6 WALDHOLTZ: What I have tried to do is to continue

7 to do my job in the face of all this personal turmoil.
8 I will continue to do that.
9 We have a wilderness bill that's coming up,
10 and while I know a lot of people don't agree with it, I
11 think a lot of people do agree with it. And I'm working
12 that on the floor of the House, was working it last
13 week, will be working it this week. I'm going to
14 continue my work on the Rules Committee. I'm going to
15 continue to support the efforts for a balanced budget.
16 We have some legislative ideas that we're going to put
17 in the hopper next year.
18 I'm going to be the best representative I
19 know how to be for the remainder of my term and continue
20 to do the job that people asked me to go do.
21 Q. Congresswoman, there appears to be a child
22 involved in this also. What will you tell Elizabeth
23 about her father and what you want that association to
24 be?
25 WALDHOLTZ: The damage to my father and the

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1 concerns over my daughter have been the most difficult
2 aspects of this. I chose Joe, and I have to live with
3 those consequences, so do other people. Elizabeth is a
4 beautiful little girl. I don't know what I'm going to
5 tell her. I'm going to try to get some help to figure
6 it out. And I'm going to tell her that her mom and the
7 rest of her family love her very, very much.
8 Q. Congresswoman what you've described here
9 today seems to be an extremely elaborate scheme on the
10 part of your husband. Yet in the end he never really
11 got a lot of the glory. You were the one always out in
12 the forefront during the campaign and even after the
13 election. What in the world would be his motive for
14 doing all this in that case?
15 WALDHOLTZ: I wish someone could tell me. I don't
16 know. I do not know what goes so wrong in a person.
17 I've been reading the press accounts out of
18 Pittsburgh, and apparently he started doing this in high
19 school. I went to his high-school class reunion.
20 Nothing anyone said there was in any way inconsistent
21 with what I thought Joe was. He stole from his
22 grandmother. He stole from his mother, who regularly
23 needs psychiatric care. He stole from everyone who

24 loved him. I don't know what motivates someone to do
25 that. I don't know if I ever will understand it.

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1 Q. Representative, what I'm having trouble
2 understanding here is in 1992 your campaign manager
3 bounced a check, and you got very upset, and you took
4 away money responsibilities for him. On the other hand,
5 you had a husband who bounced checks all over the
6 country and you did nothing. How are we to reconcile
7 this?

8 WALDHOLTZ: For one thing, I didn't know he was
9 bouncing checks all over the country. I knew about what
10 had been reported in the press.

11 And as I said, he had an affidavit from O.C.
12 Tanner, the manager, supposedly. I don't know if it's
13 real or not.

14 I know there were problems with the campaign
15 checks early in '94.

16 Joe told me that those were because of the
17 difficulties created by the problems with his mother,
18 that there were delays in wire transfers being sent out
19 because of problems that had been created by his mother,
20 and simply the problems associated with taking care of
21 his mother.

22 And so while I was very upset by it, I
23 believed my husband's explanations of why it happened.
24 That's why I hired the Huckaby firm. And I was aware of
25 no more campaign bounced checks from that point forward.

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1 There was one story about a computer vendor
2 who had had a check that was not honored, and Joe showed
3 me an affidavit allegedly signed by an officer of First
4 Security Bank saying there was plenty of money in the
5 bank to cover it at the time.

6 Again, I don't know if that is a real
7 document or a forgery.

8 In our personal lives, as I said before, Joe
9 was the one who took the messages off the answering
10 machine. We have discovered custom ringing lines going
11 into our home I didn't even know existed, so that
12 various people could call him without me knowing about

13 it. I never took the phone messages off.

14 My Washington staff can tell you that Joe
15 intercepted every call from creditors and threatened
16 them it would be detrimental to my health and the baby's
17 health if they told me.

18 When I found out about what was going on late
19 this summer, Joe and I began our discussions about
20 getting an accountant. And we were in the process of
21 working on that when I developed toxemia, and we were in
22 the process of finishing it when all of these things
23 took place.

24 Q. I realize that the hearing is this afternoon
25 but I wondered if you could answer this question now.

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1 In regards to your divorce papers and the custody of
2 your daughter, you have alluded to finding out maybe
3 certain other things about Joe that prompted to you seek
4 immediate custody of your daughter. I wondered if you
5 could maybe talk about those now.

6 WALDHOLTZ: In the course of the last four weeks,
7 besides the financial misdoings I have found evidence of
8 other questionable life-style choices that I'm not going
9 to identify today. That was the reason that I sought to
10 keep the custody proceedings for our daughter sealed, in
11 an attempt to shield my parents and eventually Elizabeth
12 from finding these things out. I will not discuss them
13 today. They are matters for the divorce court.

14 Q. Did you file 1993 and 1994 joint federal
15 returns with Joe? Do you stand by their accuracy? And
16 will you provide them?

17 WALDHOLTZ: I filed a married filing separately
18 tax return in 1993. I did not review Joe's tax return
19 in 1993. I prepared my own tax return. I believe it's
20 accurate, but we'll figure that out.

21 As for 1994, we're in the process of seeing
22 what was actually filed.

23 My husband told me, in response to regular
24 prodding by me, that we had obtained extensions until
25 October 15th. He attributed the necessity of that to

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1 the complexity of the trust.

2 I was goading him, prodding him, telling him
3 beginning in mid September that because of the things
4 that were now coming to light, not that I knew there
5 were things that he had done deliberately, but things
6 were not being handled correctly. And I said "Joe, I'm
7 not just going to simply sit down and sign the tax
8 return. I want to see it and review it before we send
9 it." I pestered him daily about getting the draft.
10 Before October 15th, Joe began this behavior
11 that made me think he was suicidal. And I was afraid to
12 press him anymore.
13 The deadline came and went. He told me that
14 the trustees had filed it.
15 I said "I haven't signed it."
16 He said "They have your power of attorney."
17 I said "They do not, and they can't sign for
18 me."
19 And when I asked my brother-in-law to come to
20 Washington to help me deal with Joe to figure out
21 whether he needed to be hospitalized, what we needed to
22 do to help him, one of the other issues I asked Jim to
23 help me with is: How do I find out what he has or
24 hasn't done about our taxes?
25 We don't know. We have found 1994 tax

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1 returns that Joe had prepared by a Pittsburgh accountant
2 that do not reflect trust income, that reflect very
3 little income. We do not know whether they've been
4 filed. And we've made a request to the Internal Revenue
5 Service to get copies of them.
6 Q. In all the documents you gave us and showed
7 us up there, there's nothing that indicates how your
8 father was convinced to turn over \$4 million to you and
9 Joe. He was well aware of campaign financing laws --
10 WALDHOLTZ: I beg your pardon? My father?
11 Q. Well, you went through the 1992 event where
12 he knew that a transfer of real property had to take
13 place for him to legally lend you money.
14 How was your father convinced to turn over
15 \$4 million, and on what basis did he do that? Did he do
16 that without any proof on paper, without going to see
17 property?
18 WALDHOLTZ: Yes. Let me answer that more fully.

19 My father doesn't know the first thing about
20 campaign financing laws. My father loves me and trusts
21 me. In 1992, he left it to me to find out how he could
22 do this. And as I'm standing here today, I believe we
23 did it right. We may have ended up having problems on
24 some overages on some things that I figured wrong, but
25 we'll make that right. But the intent of that

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1 transaction was right and I believe still is.

2 When my father agreed to loan Joe money, it
3 was because it was family, because Joe loved his mother.

4 I didn't tell you, but for as long as I knew
5 him every day Joe called his mother. Every day no
6 matter what was going on in our lives, no matter what
7 was happening. And he was sweet and tender with her,
8 which she could be very difficult sometimes with her
9 illness to deal with.

10 I knew the challenge Joe had had for many
11 years. I knew how he resented his father for what Joe
12 saw as abandoning his mother when she had problems. And
13 so when Joe said he needed help for his mother, I'm not
14 sure there's much more that I would have responded to
15 more than that.

16 And so in the beginning, I went to my father
17 with Joe, convinced of the accuracy of what Joe had told
18 me. Based on all of his past actions, based on the tax
19 returns I had seen, based on the fact that Joe always
20 had money from the day I met him, I believed this was
21 all real. And my father believed because I believed.

22 When it came time to do the campaign, I was
23 the one that worried about how we could do this.

24 My father doesn't even have a clear
25 recollection as to whether he was told it was going into

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1 the campaign.

2 Joe was dealing with all of the details with
3 my father. Many of the conversations that Joe and my
4 father had I didn't know anything about. My father also
5 remembers that I wasn't on the phone all the time. I
6 was shocked, devastated, whatever word you want to use,
7 when a short time before Joe ran away I found out how

8 high this debt had gone.

9 My father puts family above everything else.

10 And he believed because I believed.

11 Q. You mentioned several times that you signed
12 documents without reading them. As an attorney, isn't
13 that the first thing you tell your own clients to do, to
14 always read the document? And aren't you responsible
15 for those since your signature is on them regardless of
16 whether they were inaccurate or not?

17 WALDHOLTZ: The only thing that I signed before it
18 was filled out was the disclosure statement that I
19 signed after Joe and I had completed the draft. I know
20 that was a mistake. Again, this man I was married to, I
21 loved, we looked at every single thing. We talked about
22 it, we agreed on it, the draft was filled out, it was a
23 function of time.

24 As I've said, on my 1995 disclosure
25 statement, I went over that statement in the presence of

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1 my press secretary along with my husband. We had been
2 discussing it on and off for a couple of weeks.

3 I relied on Joe for the value of the assets
4 that he brought into the marriage. But I went over each
5 asset to make sure it was listed.

6 As for campaign reports, candidates do not
7 file or sign FEC reports. That is the job of the
8 treasurer. And I believed they were being reviewed by
9 the Huckaby firm for accuracy.

10 Q. If, as you say, your father was pledging
11 assets which then was used -- your father was getting
12 assets from Joe, pledged assets from Joe, and that money
13 was going into the campaign, why didn't you simply
14 answer that when you were being asked during the '94
15 campaign where the money was coming from?

16 WALDHOLTZ: Because I believed it was still my
17 money. And if I had to explain that it was coming
18 through an asset transfer to my father, I believed that
19 most people would erroneously think it was coming from
20 my father.

21 Legally I believed those assets were mine. I
22 said at the time that Joe and I had been very blessed,
23 and by that I meant the family resources that Joe had
24 gifted to me on our marriage.

25 I also meant the real estate that I thought

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1 Joe had assigned the proceeds of to my father.

2 And I believed, frankly, that it was too
3 complex a transaction to explain and that legally those
4 funds were mine.

5 Q. But later on, after the election, you
6 explained that those came from liquidating a trust
7 account, a Ready Assets account, which never was part of
8 this scenario.

9 WALDHOLTZ: Oh, yes, it was. Yes, it was.
10 Because at the time -- Early in the campaign, well, up
11 until late summer, the money that Joe borrowed from my
12 father I believed was going to pay his mother's
13 obligations and that the Ready Assets fund was being
14 used to -- to put money into the campaign as it was
15 needed. So it also -- It came from the Ready Assets
16 fund until Joe told me that the trust funds had been
17 frozen because of the litigation.

18 Q. But that was during the campaign. So how
19 could it come from the trust fund if it was frozen? How
20 could you believe that was occurring?

21 WALDHOLTZ: Because the trust funds, according to
22 Joe, weren't frozen until the late stage of the
23 campaign. The earlier money was borrowed to go to these
24 problems that his mother had created.

25 At that time, I believed we were funding the

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1 campaign from donations and through disbursements of the
2 Ready Asset fund. And it wasn't until later that the
3 trust litigation had arisen, where the trust assets were
4 frozen.

5 Q. That's when your personal money is reported
6 going into the campaign, later in the campaign, the last
7 month or so.

8 WALDHOLTZ: Right. And that's what I thought was
9 represented by the asset swap.

10 Q. But you chose to say that it was the trust --
11 it was the Ready Assets --

12 WALDHOLTZ: But I believe there was money that had
13 come in from the Ready Asset account earlier in the
14 campaign. That's what Joe had told me we were using to

15 get money into the campaign when we didn't have enough
16 from contributions.

17 Q. As a visiting journalist from the state of
18 South Carolina we come in contact, of course, with
19 Senator Strom Thurmond, who at 93 when he's reelected
20 next year, he'll be 100 when he leaves the Senate. Jim
21 Clybourne, Congressman who is the first non-Caucasian in
22 a hundred years.

23 They all speak of the good work that's being
24 done, in fact, they speak highly of you. From what I
25 can see, I'm informed and believe that you're going to

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1 return to Washington as a single mother. You've already
2 done a great deal of work for single mothers. In the
3 south the ethnographics demographics, 67 percent of
4 mothers are single.

5 I was amazed, though, when walking down to
6 the St. Vincent's Center in the shadows of Temple Square
7 though that the homeless and single mothers there living
8 on the streets just amaze me. I thought we only had
9 that in the South.

10 As you return to Congress, some of the
11 initiatives you've already had, can you help with
12 Headstart, Homestart? What's your feeling about moving
13 the entire welfare system over to two particular groups
14 that have been mentioned this particular week?

15 WALDHOLTZ: I never anticipated finding myself as
16 a single mother, certainly not of a three-month-old.
17 I'm just going to continue to do what I tried to do
18 earlier when I worked on the lien process for deadbeat
19 parents and child-care for low-income mothers, try to
20 look for opportunities, try to help in that regard. I
21 believe that the welfare system that we have now traps
22 people in poverty. I support reforming it. I believe
23 that our Utah administrators have a much better idea of
24 how to get those mothers off the street in front of the
25 St. Vincent de Paul Center than people in Washington do.

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1 And I support efforts to try to send welfare reform back
2 to the states. I will continue to try to help wherever
3 I can on this issue.

4 Have we covered all the Salt Lake -- Over
5 here.

6 Q. Now, am I to understand that the money from
7 the trade that went into the campaign came from a sale
8 of real estate from Joe to your father, your father paid
9 more than a million dollars for that and then no paper
10 work ever changed hands?

11 WALDHOLTZ: No. There was not a sale of real
12 estate. There was to be an assignment of the sales
13 proceeds from that real estate. Joe told me there was a
14 willing buyer at the amount of \$2.2 million. He told me
15 that the assignment had been executed. He gave me
16 enough details to make me believe he knew what he was
17 talking about. I now believe he got enough of those
18 details from the two faxed documents that were sent out
19 from the Dickstein Shapiro law firm. So he talked to me
20 about the details to the point where I believed that the
21 assignment had been completed.

22 I asked him for a copy of it at various
23 intervals with increasing degrees of frantic pushing to
24 get this done, right up until his disappearance.

25 Q. And your father never received any sort of

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1 paper work?

2 WALDHOLTZ: No.

3 Q. When we talked to you in July about the
4 apparent discrepancies in the '95 disclosure, am I to
5 understand correctly that that entire conversation with
6 you -- during that entire conversation you never
7 actually referred back to the document that you thought
8 you had signed to see what we were actually discussing
9 there?

10 WALDHOLTZ: No. I did look at the disclosure
11 statement.

12 Q. But then it didn't differ with the one you
13 thought you had originally signed?

14 WALDHOLTZ: Again, whenever Joe gave me a copy of
15 the disclosure statement, the first page was missing. I
16 was always looking at the treatment of the assets.
17 There was no question in my mind how the cover page was
18 supposed to be filled out.

19 And as I say, we have found among the papers
20 Joe left behind multiple copies of the '94 disclosure

21 form with the first page omitted.

22 Q. If I understand correctly, it's your reading
23 of the law, your attorney's reading of the law, that the
24 loans or the sort of cash or asset swaps made with your
25 dad did not need to be reported on personal financial

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1 disclosures? Is that correct?

2 WALDHOLTZ: Any loans from parents were not to be
3 disclosed. The asset swap, I relied on Joe because,
4 again, it was an asset he brought into the marriage, to
5 figure out how that was supposed to be dealt with. He
6 assured me he had taken care of it. I did not ask him
7 on May 15th when I signed that disclosure statement
8 about the disposition of the real estate.

9 Q. Has it occurred to you that maybe Joe married
10 you for your money and for what he could steal of your
11 family's money?

12 WALDHOLTZ: It's occurred to me many times every
13 day for the last four weeks.

14 Q. Congresswoman, as you know, Karen Shepherd
15 has announced she is not running for reelection. When I
16 asked her yesterday why, she said a primary reason was
17 her disgust with the whole issue of campaign finance and
18 raising money. She said it would cost at least a
19 million dollars next year to run, and probably a million
20 and a quarter.

21 Given all the terrible problems you've
22 outlined with great detail and, I must say, with
23 considerable convincing power this morning, the common
24 denominator of all this seems to be campaign finance,
25 raising money and spending money on campaigns --

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1 How, given all of that, can you even
2 contemplate going to the voters next year, to your
3 supporters, saying you need a million, a million and a
4 quarter to run again?

5 WALDHOLTZ: That's one of the things I have to
6 take into consideration.

7 Q. Two quick questions. One, are you testifying
8 Thursday under a grant of immunity?

9 WALDHOLTZ: No.

10 Q. Are you a subject of the grand jury
11 investigation? I know you're not a target, your
12 attorney said that. But are you a subject or just a
13 fact witness?
14 WALDHOLTZ: I'll let Chuck answer this.
15 ROISTACHER: The grand jury has every right to
16 examine the transactions, the FEC reportings and filings
17 and financial disclosure filings. We are not a target
18 of a grand jury investigation.
19 The "subject" is a term of art, it simply
20 means -- I spent 20 years on that side -- it simply
21 means they're examining the transaction. We have no
22 immunity, we didn't ask for immunity. We're testifying
23 voluntarily as the Representative has said. They gave
24 us a subpoena, they do that for everybody. They're not
25 treating her any differently than anybody else.

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1 Q. The second question. You talked about other
2 questionable life-style choices that was evidence of
3 other questionable life-style choices, the reason why
4 you wanted to keep the custody papers sealed. What
5 exactly -- Can you expand upon that at all? That's kind
6 of hanging out there.
7 WALDHOLTZ: No. It's for the divorce proceeding.
8 Let's go through Salt Lake one more time,
9 then we'll go back to the national.
10 Start here.
11 Q. Merrill Cook asked you essentially whether
12 you stole the election. And you said there was no way
13 to return that election. Wouldn't returning the
14 election now to the voters by resigning be a way of
15 taking back what occurred?
16 WALDHOLTZ: No, because then the voters would be
17 left without a voice as we're trying to balance the
18 budget and change Medicare and all of the other things
19 we're doing in Washington. And the people in Salt Lake
20 City deserve to have someone back there voting for them,
21 even if the process was flawed.
22 Q. Special election can be arranged rather
23 quickly. 30 days.
24 WALDHOLTZ: I am not going to resign.
25 Q. You described Joe Waldholtz as a person who

1 is conniving and deceiving. Are you concerned that he
2 might testify to say that you knew everything about what
3 was going on, and are you concerned about that?

4 WALDHOLTZ: How can I not believe that he may
5 chose to continue to try to deceive people if it means
6 less damage to him.

7 Q. So you're saying there's no papers or phone
8 conversations that would indicate that you knew anything
9 about what was going on?

10 WALDHOLTZ: No. One of the things that I'm
11 grateful for in all of this is Joe left before he could
12 destroy the other half of the boxes. The documentary
13 evidence in those boxes, I believe, is going to prove
14 that I didn't know anything about this.

15 But, of course, I have to wonder whether in
16 light of all of the other things that Joe lied to me
17 about that he may also lie now. This man has been lying
18 from the time he was a teenager and maybe before. I
19 don't know what he's going to do now. I don't know him.

20 Q. Congresswoman, can you talk about why you
21 didn't talk more with your father about the \$4 million,
22 how he could loan that much money without you knowing
23 about it when you're so close to him? And then also
24 would you describe exactly how much money did you know
25 about was lent and what it was for, what you knew about

1 it before and when you knew about each of those things
2 you knew about.

3 WALDHOLTZ: I knew that Joe had borrowed money to
4 deal with his mother's problems allegedly. And I knew
5 it was substantial, hundreds of thousands of dollars.

6 I knew that Joe had gone to my father to talk
7 about money for the campaign as a part of the asset
8 swap.

9 I believed that it was within the range of
10 parameters that would be supported by what I thought the
11 real estate was worth. It is impossible to try to
12 explain fully how any family deals with discussions
13 about money. I don't think my mother knows to this day
14 what my father's net worth is.

15 Do you, Mom?

16 MRS. GERDA GREENE: No. I only know about my
17 housekeeping.

18 WALDHOLTZ: I believed that Joe had significant
19 financial experience. My father has significant
20 financial experience. In the heat of the campaign and
21 being a new member of Congress, I was not trying to play
22 a submissive wife role, I simply thought Joe knew what
23 he was talking about and I didn't. I would talk with my
24 father occasionally, but I can tell you that on the last
25 money that Joe managed to get from my father Joe lied to

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1 me and to my father.

2 Joe is very good at telling different people
3 different stories. Joe got money from my father,
4 \$308,000 from my father, ostensibly the last that would
5 resolve all these problems and free up all these assets,
6 do everything that we had been waiting to get done.

7 My father and I talked about it. I was
8 disgusted that we were still having problems. And my
9 father and I agreed that my father would wire us the
10 funds but they would not go out of our account until I
11 had seen a signed settlement document from the bank that
12 was allegedly causing this problem.

13 I sat down with Joe. Joe said to me "What
14 points in the settlement agreement do you need to have
15 to satisfy you, Enid?"

16 And I wrote down four or five points. But I
17 said "Joe, I don't practice law in Pennsylvania, and I
18 am not a real estate lawyer. You need to have people in
19 Pennsylvania" -- excuse me -- "not a banking lawyer, not
20 a transactional lawyer."

21 I said "You need to have people in
22 Pennsylvania put the right language into this settlement
23 agreement to make sure that once this money gets to them
24 then all our money comes back out."

25 For 48 hours, everytime I came back into my

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1 office, I asked Joe "Where's the draft?"

2 He continued to tell me that they were
3 working this thing out.

4 Finally at the end of the 48 hours when I

5 said again "Joe, where's the draft?" He said "Oh, Enid,
6 they were able to work it out. We don't need the money
7 from your dad."

8 I said "Terrific. Send it back to him right
9 now."

10 He left my office, he came back in. He said
11 "I've sent the money back."

12 That was in the middle of October.

13 Q. October this year?

14 WALDHOLTZ: This year. Joe had taken the money
15 out of our account and spent it.

16 So I know it seems odd to you, but, again, I
17 was trying to spend every waking moment I could being a
18 candidate and a good representative. I was having my
19 husband deal with the matters that I thought he was best
20 equipped to deal with.

21 There were times when I would get home late
22 at night and I was exhausted and I'd fall into bed and
23 I'd say "Joe, I didn't call my dad. I've got to call my
24 dad," to make sure everything was okay on what was going
25 on.

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1 And Joe would say to me "Enid, don't worry.
2 I talked to your dad this afternoon. Everything's fine.
3 He understands how hard you're working."

4 And I come to find out Joe didn't really call
5 my dad.

6 Q. Congresswoman, you've said you'd like to try
7 and repay your father. If you decide not to run for
8 reelection will you get back into corporate litigation?

9 WALDHOLTZ: That's an option that I'll be
10 considering along with everything else.

11 Have we finished the Salt Lake back here?
12 Anybody else?

13 I'm sorry. This is important that I answer
14 to the people that sent me back first, then we'll come
15 back.

16 Q. I'm a little confused about some of the
17 events leading up to Joe's leaving.

18 At one point you say you barred the door to
19 keep him from leaving. And at another point you say he
20 begged you to say. At what point did that change, and
21 were you, in fact, threatening to leave him?

22 WALDHOLTZ: No. It changed almost hourly. The
23 day before he left Joe took off his wedding ring,
24 slammed it down on his desk and told me our marriage was
25 over because he couldn't stay married to someone who

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1 I wouldn't believe in him.

2 He threatened suicide, he threatened divorce.
3 It changed by the hour. That's why I was so desperate
4 to get my husband -- my brother-in-law to come back and
5 help me deal with this. So it changed constantly. I
6 truly believed that Joe was in the throes of a major
7 depression or something worse and that he needed
8 professional help.

9 I even suggested to him several times that he
10 get counseling. At one point he agreed, and then he
11 would always refuse the next day. It was a very
12 difficult time.

13 Q. A difficult question. What is your personal
14 message to Joe today?

15 WALDHOLTZ: I haven't communicated with Joe in
16 any way since he left.

17 I guess I would say this: You've hurt a lot
18 of people who loved you, and if there's a corner of your
19 soul left that can be touched, Joe, stop now for
20 Elizabeth's sake. Stop hurting people now, start over
21 again. It will be hard, but it's the only thing you can
22 do and have any kind of a life for the rest of your
23 life.

24 Anybody else up here?

25 Q. In entering into a marriage, meeting your

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1 future parents-in-law, did no alarm bells go off on
2 visits to Pittsburgh that you were never invited to the
3 home, that you were only driven by a mansion and told
4 that's where they lived and never entered into any
5 conversation that would lead you to any indication at
6 all that this family was not the family as it was
7 portrayed?

8 WALDHOLTZ: I'm not saying this to hurt the
9 Waldholtz family, but Joe told me he hated his father
10 and his stepmother. He told me his father had abandoned

11 his mother when his mother needed help. He told me his
12 father had always favored his older brother. He told me
13 that he wanted nothing to do with that home because of
14 the bad memories it held. And his best friend that he
15 loved like a brother told me he'd never been in his home
16 either and that Joe had told him the same things.

17 I knew Joe had some problems to work out with
18 his family. We met them at a restaurant before we were
19 married. It was very stiff and awkward.

20 They tried to be very nice. But so many
21 areas seemed to be taboo. I wasn't supposed to talk
22 about religion because they were afraid Joe would
23 convert. We weren't supposed to talk about money
24 because that's not a permissible thing to talk about,
25 and that wasn't so unusual for my family.

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1 Joe's best friend is a fine person and I
2 think is just as shocked as I have been, although I
3 haven't talked to him. And when I realized that Guy
4 hadn't been to Joe's home either, it seemed to make
5 sense.

6 Q. Couple of questions. Joe gifted you the
7 Ready Assets; right?

8 WALDHOLTZ: He told me he had given me a gift of
9 approximately \$5 million. I didn't ask, and he didn't
10 tell at the time of the gift whether it was a
11 distribution from the trust or it remained within the
12 trust. Simply earmarked for me so that it would not
13 show up as a separate asset.

14 Q. That's this sheet right here?

15 WALDHOLTZ: Which I didn't see until later this
16 year.

17 MR. MILLER: A phony document.

18 Q. A phony document. Right.

19 WALDHOLTZ: Right.

20 Q. So if you believed during the course of the
21 campaign that Ready Assets were being committed to your
22 campaign and not the loan from your father, wouldn't you
23 have known about it as the recipient of this gift?

24 WALDHOLTZ: No. Joe was in charge of those
25 assets. If we needed money that had to go into the

1 campaign, Joe was in charge of taking it out of my
2 account and getting it there.

3 I gave Joe signature authority on everything,
4 my checkbook --

5 Q. Including this?

6 WALDHOLTZ: Well, again, Joe told me that that was
7 handled by the trustees.

8 And I thought he had access to it, that he
9 could get it out without having to tell me what he was
10 doing.

11 I trusted him implicitly with this.

12 Q. What about all these other assets, these also
13 in your 1994 personal financial disclosure statements.
14 Were these also purportedly by Joe handled by the
15 trustee? Or were these assets -- goes back to my
16 question earlier -- Didn't you say to Joe "You've got
17 \$3 million. Why don't you liquidate some of your
18 assets?"

19 WALDHOLTZ: And he told me they had been purchased
20 with trust assets, that the whole point of the trust
21 litigation was to trace where the funds from the trust
22 had gone and that he was barred at this point from
23 selling anything that arguably had come from trust
24 assets, that he was being asked for an accounting of
25 where the trust money had gone out of the trust to

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1 purchase various assets and that if -- that those assets
2 were exactly what was being questioned and that they
3 were frozen and he couldn't liquidate them until the
4 trust litigation had been completed.

5 Q. My impression is that you like politics and
6 like your job in the House. I'm asking about your
7 decision to run again. Are you inclined to run again?
8 If you can work it out will you run again? That is, is
9 it a matter of what you want to do. But secondly can
10 you tell us when you will decide?

11 WALDHOLTZ: I don't know when I'll decide. The
12 last four weeks I have done only three things. Dealt
13 with this mess, trying to pay bills Joe left behind. He
14 left behind six moving boxes full of papers, and we have
15 been sorting through finding documents. And, frankly,
16 I've been trying to figure out who he owes money to.

17 And dealing with my attorneys and talking
18 with the U.S. attorneys and talking with the F.B.I.
19 I've done my job at the House Rules, and I've
20 taken care of my daughter. It hasn't left any time
21 really for thinking about the future. I will decide as
22 quickly as I can.
23 I can't tell you right now any leaning one
24 way or another.
25 Q. Representative, it seems that many people

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1 knew that there were problems. Steve Taggart although
2 he never talked to you --
3 WALDHOLTZ: Which is an important point.
4 Q. But he did talk to David Jordan and David
5 Hansen?
6 WALDHOLTZ: Whom I then met with, and then we
7 hired the Huckaby firm.
8 Q. KayLin Loveland gave you a memo. Senator
9 Hatch said at one point in time this year he even had
10 you in his office and said to Joe "You're going to
11 jail."
12 WALDHOLTZ: That was a week before Joe
13 disappeared.
14 Q. You mentioned all the flags. Did you not at
15 any time prior to Joe disappearing have any doubts at
16 all about what was happening?
17 WALDHOLTZ: I believed that Joe was sloppy and
18 overextended. I tried to put a mechanism in place for
19 the campaign that I believed worked. There was no other
20 story about a bounced check, other than the one I've
21 already described, where I saw a statement signed by a
22 First Security Bank officer supposedly, that we had the
23 assets to cover it.
24 When we got into our personal lives. Joe
25 took in the mail, Joe handed me what was mine, Joe paid

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1 the bills, Joe intercepted the calls.
2 As soon as I had Elizabeth and we were back
3 in Washington, I started pushing him to get all of these
4 things resolved, believing that if we brought in an
5 outside accountant that people would no longer question

6 Joe's integrity. And so it was this fall that I started
7 to push and events escalated until -- why we're here
8 today.

9 Q. You pledged during the campaign to return the
10 difference in your Congressional pay raise. How much
11 money have you returned to this point and given your
12 financial situation do you still intend to follow
13 through with that pledge?

14 WALDHOLTZ: I made several commitments during my
15 campaign of a financial nature. I said that I would
16 decline the pension, and I did.

17 I went into the Member Services Offices and
18 signed the documents that waived my pension plan.

19 I said that I would pay the entire cost of my
20 health care, provided through my employer, that I would
21 pay both portions, in other words, the employee and the
22 employer portion.

23 Joe told me he'd taken care of that. I now
24 don't know but am quite convinced that's not true. I
25 will begin making that payment immediately.

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1 I also said that I would cut my office budget
2 by 25 percent over the '92 mark. Right now we are at
3 about a 35 percent cut in my office.

4 I said I would take -- that until Congress
5 balanced the budget it wasn't doing its job and didn't
6 deserve its full salary and that I would return the
7 difference to charity.

8 I have made some distributions to charity. I
9 am now sufficiently concerned that I have to go and find
10 out whether those are checks that also bounced. I don't
11 know.

12 So I have to find out how much actually got
13 distributed to charity.

14 The paychecks that were referred to that Joe
15 had forged over the summer, there are several paychecks
16 I didn't receive. But Joe said "Oh, I mislaid them."

17 I got after him because those were the
18 paychecks I wanted to use to complete this distribution.
19 I now know that they've been forged.

20 What I am pledging is that by the end of next
21 year I will have kept that commitment. Until we balance
22 the budget, I will only take the \$89,000 salary.

23 Q. I don't mean to be rude, but you are a member
24 of the U.S. House of Representatives, and there are
25 members of the national media who speak to an audience

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1 that very much want to hear what you have to say --

2 WALDHOLTZ: And I will get to you as soon as I
3 have satisfied the people who speak with my
4 constituents.

5 Q. Do you at this point know how much money Joe
6 took from your father allegedly, and has anybody tried
7 to put an assessment together of how much he fraudently
8 took from everybody?

9 WALDHOLTZ: Joe took slightly over \$4 million from
10 my father. We have had varying reports regarding his
11 grandmother, ranging from \$600,000 to over a million
12 dollars.

13 We have had -- We have been reported that he
14 took \$100,000 from his stepmother. We have heard
15 reports of mortgages on the homes of his mother and his
16 grandmother. We have heard reports that he stole
17 somewhere around -- upwards of \$200,000 from his
18 previous employer. And we don't know what else he might
19 have done to people outside of his family, nor do I know
20 for certain if those are the amounts that he stole from
21 his family.

22 Q. The income-tax returns contained in your
23 briefing materials today for '91 and '92 only have the
24 first, maybe, two pages. There's none of the pages that
25 would show the tax paid, or particularly significant is

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1 Joe's signature. That's missing from these.

2 When you found these, your attorney
3 apparently found these in your townhouse after Joe fled,
4 is that the condition they were in?

5 WALDHOLTZ: No, these are not from our home.
6 These are from First Security Bank. They are only the
7 portions that reflect the cover page and the trust
8 income. There are complete tax returns on file at First
9 Security purporting to be complete returns for those
10 years. We simply did this so you didn't have to carry
11 so much paper.

12 Q. Okay. But it seems, Congresswoman, that this
13 whole series of events revolves particularly around what
14 your father Forrest Greene said to Joe, what Joe
15 presented to him for the asset exchange, the \$4 million.
16 Don't we really have to hear from Forrest Greene and
17 exactly what Joe told him to even make sense of the
18 story?

19 WALDHOLTZ: My father is still in Washington. He
20 flew out as soon as this happened, to be with me and to
21 help me through this. He decided that his time was best
22 spent staying back there. My father is a frugal man, he
23 didn't want to spend the air fare.

24 I know that's hard for you to believe. My
25 father drives a 1968 Cadillac. There's a reason that he

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1 had the resources that he was willing to use for his
2 family.

3 My father would never break a law or
4 regulation in his life. He was in the securities and
5 exchange business for 40 years, and I think he had one
6 minor technical violation in the 1950's that he
7 disputed. He is an honest man. He believed the
8 representations that were said to him. And I think he's
9 suffered enough in this process to not have to go
10 through this interview process.

11 Q. He does know the money was used for your
12 campaign?

13 WALDHOLTZ: He does know.

14 Q. Enid, three hours into this, having all
15 that's been said, how much responsibility are you
16 accepting for all of this? Where does the buck stop
17 when it comes to Enid Waldholtz' campaign?

18 WALDHOLTZ: I am accepting the responsibility for
19 trusting someone who is completely untrustworthy. I am
20 accepting the responsibility for having given him
21 complete access, not just access, responsibility for all
22 of my finances, personal and campaign.

23 There is a difference, though, I believe,
24 between accepting responsibility for something and
25 knowing that somebody is breaking the law.

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1 I had no idea that the person I was married
2 to was capable of any of this. So I am responsible, and
3 I'm bearing the consequences for the choices that I
4 made. But I don't believe they should be the same
5 consequences as someone who intentionally set out to do
6 this.

7 Q. When you ran for election, the family was the
8 cornerstone of your campaign, yet amidst these rumors
9 and fears of suicide just a few days later you filed for
10 divorce. And a lot of people are seeing this as
11 contrary to your family values platform. Could you
12 respond to that, please?

13 WALDHOLTZ: Between the time my husband
14 disappeared and the time I filed for divorce, I found
15 that he had tricked me into signing false disclosure
16 statements, I found that he had falsified documents that
17 he had given to me knowing that I would go out believing
18 them to be true, giving them to the press. I found that
19 he had stolen from his grandmother, that he most likely
20 had stolen from his mother, that he embezzled campaign
21 funds. I found that he had lied about his religion. I
22 had even gone to Episcopal services with him where he
23 would tell me how the ceremony went. I don't know where
24 he learned that, but he did.

25 I found out those things and knew I couldn't

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1 I stay married to him. I referred to other items as well
2 that I will not discuss today. I just believe with all
3 my heart that my daughter and I cannot stay with him.

4 Q. In all these searching through the assets of
5 yours and Joe's assets or nonassets, is there any hope
6 if criminal charges are brought against Joe that any
7 restitution can be brought from him to either your
8 father or any of the campaign contributed money he has
9 taken and used for anything? Is there any hope of
10 recouping any of these funds in the future?

11 WALDHOLTZ: We don't know. We hope so. We can't
12 trace the money past where my name was on the account
13 legally at this point. The federal law-enforcement
14 officials can, and we hope to find some somewhere.

15 Q. Does he have any assets that you know of in
16 searching through --

17 ROISTACHER: Let me comment on that. The Victim

18 Witness Protection Act, which is part of the United
19 States Code, allows for restitution for victims of
20 crime, which Mr. Greene and Representative Waldholtz
21 clearly are. We can only trace the money in his
22 accounts to a certain level. The F.B.I. and the U.S.
23 Attorney need to do the rest.
24 We hope that as part of the judge's sentence
25 we get a restitution order, and we hope there's

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1 something there. Given what this man has done,
2 apparently, for almost his entire adult life, we just
3 don't know.

4 WALDHOLTZ: Next question.

5 Q. You had mentioned that your father was a
6 frugal man. And it's hard to really decide, decipher in
7 all the press accounts what's accurate and what's not
8 related to your life-style. But do you regret at all
9 that you lived a rather extravagant life-style? I mean
10 \$3800 for rent, for example, is not at all
11 representative of your constituent base. Do you regret
12 that at all?

13 WALDHOLTZ: It makes me sick. It makes me sick.

14 We rented a large home, as I told you,
15 because we wanted to have a large family, Joe wanted to
16 bring the dog back. I wanted to be in a safe
17 neighborhood that was close to the Capitol because I
18 didn't know what my Rules Committee assignment was going
19 to require.

20 My husband bought expensive items for me. I
21 never bought jewelry on my own. I don't know what it
22 cost. It makes me sick. What I'm wearing today is what
23 my parents gave me when I graduated from law school.

24 My husband talked about building up things
25 that we could pass on to our children. I believed he

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1 could afford what he was doing. It makes me sick.

2 Q. Well, \$1 million was put into your campaign
3 within the last five weeks of that campaign. And you
4 thought at the time that the T.W.C. assets had been
5 frozen. So where did you think that \$1 million was
6 coming from?

7 WALDHOLTZ: From the asset swap with my father
8 through the assignment of real estate proceeds.
9 Q. So that the money that your father gave you
10 you thought was being put into the campaign?
11 WALDHOLTZ: Because it was my money by that point.
12 Absolutely. I absolutely believed it was my money, and
13 I knew it was going into the campaign.
14 Q. The Federal Election Commission rules require
15 your campaign to state what bank has its account. You
16 said that you knew there was an account somewhere in
17 Pittsburgh or that Joe told you. That was not listed on
18 your disclosure statement. Why not? You apparently
19 knew about it. Why wasn't it listed?
20 WALDHOLTZ: Because it was a campaign account, not
21 a personal account.
22 Q. I'm talking about campaign disclosure form.
23 It requires the listing of the bank. You told me that
24 you knew about this other bank that was not on that
25 form. Why didn't you raise a question?

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1 WALDHOLTZ: I knew about that account -- I believe
2 Joe told me about halfway through the campaign about
3 that. I did not personally review the FEC reports.
4 That's what Stan Huckaby had been hired to do. Joe was
5 supposed to give Stan Huckaby the information. I did
6 not have any idea that there was no bank listed for that
7 account.
8 MR. MILLER: One just follow up to that. As we
9 said before, the amounts for the cash balances that are
10 listed, just the total amounts of the cash balances on a
11 number of those different FEC reports at various points
12 in time are overinflated or inflated. In other words,
13 they don't show the real balance in the real accounts.
14 Q. What legal action does your father plan
15 against Joe Waldholtz?
16 WALDHOLTZ: That's still very much under
17 consideration.
18 Q. If the money that you thought you were
19 putting into the account was the money from your father
20 pledged against Joe's assets --
21 WALDHOLTZ: No.
22 Q. -- against Joe's real estate --
23 WALDHOLTZ: No, I thought it was an assignment of

24 proceeds from real estate that Joe and I had together
25 under Pennsylvania law.

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1 Q. Half of those would have been legally yours
2 to put into the campaign?

3 WALDHOLTZ: \$1.1 million.

4 Q. And the amounts you actually put in were
5 greater than that. Where did you think the balance was
6 coming from?

7 WALDHOLTZ: I did not know at the time it was
8 greater than that. I thought that campaign money that
9 came in from me came from Ready Assets then came from
10 the assignment of real estate proceeds and that that was
11 sufficient to cover the two.

12 Q. As anybody who's investigated con men knows,
13 and Joe certainly seems to be a con man, that their
14 typical method of operation is to depend on the greed of
15 their victims to get away with what they've got
16 planning. Does it now seem clear to you to that it was
17 the greed of your father to see his daughter in
18 Congress, your greed to get a seat in Congress that made
19 you vulnerable --

20 WALDHOLTZ: What a disgusting characterization of
21 a man who is not here to defend the himself. My father
22 is not greedy --

23 Q. Why was he so vulnerable to this con man?

24 WALDHOLTZ: Because he loves his family, he loves
25 his family. He didn't want his son-in-law to not be

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1 able to care for his sick mother. He didn't want to see
2 us dragged through the mud over problems that had been
3 created by his family. He didn't want to see his
4 son-in-law pilloried through a cousin that we believed
5 was simply trying to get more from the family trust. Do
6 not call my father a greedy man.

7 Q. Was it your desire for a seat in Congress
8 that made you so vulnerable to this con man?

9 WALDHOLTZ: It was my love for my husband that
10 made me so vulnerable.

11 Q. And having your personal affairs in such
12 disarray --

13 UNIDENTIFIED MALE: You're trying to bate her.
14 Get on to the next question. You're a prick, and you're
15 trying to cause trouble --
16 WALDHOLTZ: That's enough.
17 Q. Having your personal affairs in such disarray
18 and having said that Joe is more experienced in handling
19 financial affairs than you do, and you're going back to
20 Congress to balance the budget.
21 WALDHOLTZ: If you look at my office accounts and
22 see how much money I've been willing to save the
23 taxpayers just in my office account, I think the
24 taxpayers are well served by the way I treat their
25 money. I waived that pension plan because that was

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1 something I had to go and sign. I started making
2 contributions to charity and thought the paychecks that
3 my husband subsequently forged would make up the
4 difference. I have done what I said I was going to do.
5 I respect the public's money, and I treat it carefully,
6 and I'll continue to do that.
7 Q. Has President Clinton talked to you regarding
8 your personal tragedy here?
9 WALDHOLTZ: No, he's not.
10 Q. How long do you plan to keep the name
11 Waldholtz?
12 WALDHOLTZ: Until my divorce papers are final.
13 Q. I have a two-parter. One for Chuck
14 Roistacher and one for yourself.
15 Chuck, you told us before that there were
16 loans and asset swaps involving Mr. Greene and the
17 couple. And if we could get a little bit more specific
18 on what those were and the amounts. Before it was a
19 loan of more than \$1 million and then an asset swap of
20 some other amount.
21 And then for the Congresswoman. Staffers
22 current and former have said that when they would try to
23 tell you things -- these are staffers other than KayLin
24 and Steve Taggart -- that trying to get you to change
25 things would produce not only a rebuff but hostility

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1 from you. And I wanted to ask you: Did you have some

2 will not to believe what you were hearing about this
3 despite all that you had known to that point?
4 WALDHOLTZ: I'm afraid I can't respond to kind of
5 hypothetical broad questions. If you can give me an
6 instance where I expressed some sort of hostility then
7 perhaps I can respond. I can't respond to broad
8 generalizations.

9 Q. Well, later in the game than earlier, one
10 staffer in the Congressional office, I believe, would
11 try and talk about that memo, the dummied-up TWC Ready
12 Assets memo, and Joe apparently would try and turn you
13 against staffers, you know, this person they -- he would
14 call them every name in the book or whatever. But it
15 was difficult for the staffers that were looking out for
16 your best interests to even get through to you. These
17 were ones that were currently working on things. I
18 can't be more specific with a date or a time or a name,
19 but that recently ones that had your best interests at
20 heart, more than one has said they were treated
21 hostilely as if you did not want to believe it.

22 WALDHOLTZ: The discussions I had with my staff --
23 again, I can't respond to a specific allegation of
24 acting hostilely unless I know what the situation was.
25 I have talked with Kate Watson about it toward the very

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1 end of all this when she came forward and told me some
2 things when I said to her "Kate, you've done the right
3 thing. I'm going to deal with this."

4 That was part of what I was trying to
5 accomplish when Joe finally left.

6 There are a lot of stresses in a
7 Congressional office. I have a great staff, but they
8 don't always do things exactly as I'd like them to do.
9 And there are times when I've told them I'm not happy
10 with something that they're doing.

11 I don't ever recall a situation where I acted
12 hostilely other than when some staff members did some
13 things that I thought were inappropriate, separate and
14 apart from any involvement with Joe.

15 ROISTACHER: Let me just say we're still not
16 finished analyzing the numbers. But we can say that
17 approximately \$4 million had as its source Mr. Greene,
18 and we can tell you that approximately \$1.7 million went

19 into the campaign.

20 The amount that went into the campaign
21 Representative Waldholtz believed until this whole thing
22 fell apart came either from Ready Assets or from her own
23 money which was the result of the asset swap.
24 Q. David Harmer said when he took over as your
25 campaign director he was told not to ask too much about

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1 money that you didn't -- I wanted to see if that's
2 accurate as far as you can recall and why he was given
3 such instruction. Also some later staffers were told
4 when they joined your office that Joe would only be
5 there as an interim employee during the transition, that
6 he would leave and that he became a permanent employee.
7 Why did that happen?

8 WALDHOLTZ: Let me answer the first one -- or the
9 second one first.

10 When Joe and I went to Washington, we knew
11 that with The Contract with America and the hundred day
12 agenda that there were going to be tremendous stresses
13 in trying to get the office up and running. They were
14 worse than anyone imagined. You were back there. You
15 know the kind of hours that we were working.

16 It was my intention and it was Joe's
17 expressed intention to leave the office after that had
18 happened. In the meantime, we found out I was pregnant.

19 Joe said that he thought perhaps he wanted to
20 stay around the office to help keep an eye on me.

21 I related to you that David Harmer is, as
22 fine a man as he is, the job didn't fit right, and David
23 left.

24 I talked about getting a replacement
25 administrative assistant. But with the commitments that

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1 we had made to cut the office budget, I wasn't sure we
2 could afford it. And so Joe stayed on.

3 Joe and I had numerous discussions about him
4 leaving the office. He threatened a number of times
5 that he wanted to go, but each time that he did it he
6 did it at a time when we were reaching a crisis point.

7 For example, he told me he wanted September

8 30th to be his last day, when my baby was due September
9 21st. And so there was always some crisis event where I
10 would ask him to stay on a little longer.

11 And then I would ask Joe "What is it you'd
12 really like to do? Any job in Washington? What would
13 you like to do?"

14 And he always said "I want to keep working
15 with you."

16 Again, Joe didn't make policy. Joe tried to
17 keep the office up and running. And, frankly, some
18 things worked better after he started doing that.

19 But I also now realize it was a perfect way
20 to keep me from getting the phone calls and the mail and
21 knowing what was going on.

22 Q. Congresswoman, have you been notified by the
23 Ethics Committee that they are looking into your
24 situation? And to what extent has the Federal Election
25 Commission conducted its inquiry?

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1 WALDHOLTZ: The Ethics Committee has sent me a --
2 I don't even want to use a term of art, I'm not sure
3 it's a preliminary letter. They sent me a letter simply
4 saying: We've read the news reports, if you'd like to
5 respond respond by January 8th. We have already sent
6 them back a letter saying: We will respond in much
7 greater detail by January 8th.

8 We have informed the FEC that we now believe
9 that these reports are largely fabricated and that we
10 are in the process of amending them.

11 The way the FEC process works: You're
12 supposed to file your amended reports, and at such time
13 as you notify the FEC that you now believe they're
14 correct then the FEC begins its inquiry.

15 So we have tried to notify everyone with
16 jurisdiction of the problems that we've identified and
17 will work with them to try to satisfy the questions.

18 Q. Representative, to your knowledge, did you,
19 any members of your family, your husband, your campaign
20 make any sort of contributions to Speaker Gingrich or to
21 any of his PAC's?

22 WALDHOLTZ: Not that I'm aware of.

23 Q. How concerned are you that you will be
24 aggressively pursued and someone is going to try to toss

25 you out of office? I mean, is that a legitimate concern

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1 you have back in Washington? If they say "Well, look,
2 your signatures are on this. It's fine and dandy there
3 was a shuffle of paper work, but you signed fraudulent
4 documents." Is it possible you could be pursued to ask
5 to leave office?

6 WALDHOLTZ: All I can do is tell the truth. I've
7 told the truth today. I'm going to continue to tell the
8 truth. And whatever happens is going to happen. We'll
9 just take it as it comes.

10 Q. This is a question that maybe Mr. Roistacher
11 can answer for us. But does Representative Waldholtz
12 face any legal liability in affirming the truth,
13 affixing her name to fraudulent documents. And maybe
14 for Representative Waldholtz does this indicate in
15 any way how the office is run in Washington?

16 ROISTACHER: I think it should be clear to
17 everyone here that Representative Waldholtz never
18 knowingly or willfully submitted any false documentation
19 or any fraudulent documents to anyone, and she faces no
20 liability under that standard.

21 WALDHOLTZ: In terms of how the office is now run,
22 I have told my staff that it's no reflection on them,
23 their honesty or their abilities. But I'm reviewing
24 every piece of paper, including the ones that are
25 usually just processed as a matter of course.

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1 Q. You mentioned not knowing they're willfully.
2 Is there anything in regards to negligence? Is there a
3 legal definition of negligence that could apply here?
4 And aside from the legal issue, do you feel like you
5 were negligent?

6 WALDHOLTZ: When I signed those disclosure
7 statements, I believed that they were accurate. I had
8 discussed them with my husband at length. Many members
9 of Congress rely on accountants to prepare their
10 disclosure statements.

11 I relied on the person that I believed had
12 the firsthand knowledge as opposed to my secondhand
13 knowledge of the value of those assets.

14 I believed I was tricked. I don't believe I
15 was negligent.

16 Q. If members of your staff quit because they
17 were disillusioned with Joe, didn't it occur to you to
18 personally talk to them to find out why they were
19 quitting?

20 WALDHOLTZ: The only staff members who left, right
21 up until this whole last episode, were David Harmer --
22 and I've described how we just came to -- both of us
23 agreed that this just wasn't his niche. We had another
24 employee for a short time whose performance I just was
25 not satisfied with.

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1 The rest of my office staff is there working.
2 We had Branwon Lance, who just accepted a job at twice
3 the salary, doing strictly international affairs, which
4 is her area.

5 Aaron Eddens resigned as all this was
6 happening. And when Joe disappeared, Aaron said he
7 wanted to come back to work for me.

8 Greg Engenman didn't give me specifics, told
9 me he was uncomfortable, but never got into any kind of
10 detail, just felt that it was -- he was looking at going
11 back to the Hatch office.

12 And, again, this happened just in the last
13 weeks before Joe disappeared.

14 My staff -- and I want to say this for them
15 if they're still out there listening -- my staff has
16 been incredible through this. They have told me how
17 much they regretted not coming to me with their
18 concerns, but they said they didn't want to come to me
19 absent proof that Joe was doing something wrong. They
20 had suspicions, but they never felt they had proof.

21 And I don't believe it's that they didn't
22 think they could approach me, I think it's that they
23 thought they didn't want to hurt me until they could
24 prove what was happening.

25 And I want to say to them: They are not to

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1 blame, and they should not carry any of that
2 responsibility in themselves. It is not their fault.

3 They're wonderful people.

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1 STATE OF UTAH)

: ss.

2 COUNTY OF SALT LAKE)

3 I, SUSAN WILCOX KINGSBURY, C.S.R., R.P.R. and

4 Notary Public for the State of Utah, residing in Salt

5 Lake County, certify:

6 That the foregoing transcript of the Press

7 Conference of Rep. Enid Greene Waldholtz was

8 stenographically written by me at the time and place

9 therein noted;

10 That pursuant to the request of "The Salt

11 Lake Tribune" this transcript is a "tightened up"

12 transcript because of the newspaper's printed space

13 constraints;

14 That the foregoing typewritten transcript as

15 prepared by me is a full, true and correct record of my

16 stenographic notes so taken;

17 IN WITNESS WHEREOF, I have subscribed my name and

18 affixed my seal this _____ day of _____ 19 _____.

19

SUSAN WILCOX KINGSBURY, C.S.R., R.P.R.,
Notary Public.

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